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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

Agatha L. Merges
Secretary of the Interstate
Commerce Commission
12th Street and Constitution
Avenue, N.W.
Washington, D.C.

October 5, 1979

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RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

10868-*B*
RECORDATION NO. Filed 1425

OCT 5 1979 -4 20 PM

INTERSTATE COMMERCE COMMISSION

OCT 5 1979
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CC Washington, D.C.

Dear Madam:

I enclose for filing with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303, the following documents:

1. CONDITIONAL SALE AGREEMENT dated as of September 1, 1979 between:

PURCHASER: FIRST SECURITY BANK OF UTAH, N.A., *
79 South Main Street
Salt Lake City, Utah 84111

*NOT IN ITS INDIVIDUAL CAPACITY BUT
SOLELY AS TRUSTEE PURSUANT TO A TRUST
AGREEMENT DATED AS OF SEPTEMBER 1, 1979

VENDOR: FMC CORPORATION
(Marine and Rail Equipment Division)
4700 Northwest Front Avenue
Portland, Oregon 97208

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2. AGREEMENT AND ASSIGNMENT OF CONDITIONAL SALE IN-
DEBTEDNESS dated as of September 1, 1979

ASSIGNOR: FMC CORPORATION

ASSIGNEE: DOLLAR SAVINGS BANK OF NEW YORK
2530 Grand Concourse
Bronx, New York

3. LEASE OF RAILROAD EQUIPMENT dated as of September
1, 1979

LESSEE: INTERPOOL LIMITED
630 Third Avenue
New York, New York

LESSOR: FIRST SECURITY BANK OF UTAH, N.A.,
as Trustee as aforesaid

4. ASSIGNMENT OF LEASE AND AGREEMENT dated as of
September 1, 1979

ASSIGNEE: FIRST SECURITY BANK OF UTAH, N.A.,
as Trustee as aforesaid

ASSIGNOR: DOLLAR SAVINGS BANK OF NEW YORK

5. *LEASE AGREEMENT dated October 3, 1979

SUBLESSEE: SAN LUIS CENTRAL RAILROAD COMPANY
Monte Viste, Colorado

SUBLESSOR: INTERPOOL LIMITED

*This document will be filed at a later date following
execution by the parties.

6. ASSIGNMENT OF APPROVED MANAGEMENT AGREEMENT AND
APPROVED SUBLEASE dated as of September 1, 1979

ASSIGNOR: INTERPOOL LIMITED

ASSIGNEE: DOLLAR SAVINGS BANK OF NEW YORK

The documents listed above cover the railroad equipment described in Exhibit A attached hereto (the "Equipment"). The Equipment was manufactured and sold by FMC Corporation (Rail and Marine Equipment Division) (the "Vendor") to First Security Bank of Utah, N.A., as Trustee (the "Trustee"), pursuant to the Conditional Sale Agreement (the "CSA"). The rights of the Vendor under the CSA were assigned to Dollar Savings Bank of New York (the "Investor") pursuant to the Agreement and Assignment of Conditional Sale Indebtedness. The Equipment will be leased by the Trustee to Interpool Limited (the "Lessee") pursuant to a Lease of Railroad Equipment (the "Lease") and leased by the Lessee to San Luis Central Railroad Company pursuant to a Lease Agreement (the "Sublease"). The rights of the Trustee under the Lease and the rights of the Lessee under the Sublease have been assigned to the Investor.

In addition, I enclose a check in the amount of \$110.00 to cover the cost of recordation with the Secretary's Office.

Please return the stamped copies of the above documents to the bearer of this letter.

Very truly yours,

Thacher, Proffitt & Wood

Thacher, Proffitt & Wood,
as Agent for Dollar Savings
Bank of New York

10868
RECORDATION NO. Filed 1425

OCT 5 1979 -4 20 PM

INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

Dated as of September 1, 1979

between

FIRST SECURITY BANK OF UTAH, N.A.
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof

with

The First National Bank of Denver
and

Seafirst Leasing Corporation
(individually defined to be an "Owner"
and collectively to be the "Owners").

and

FMC CORPORATION
(MARINE AND RAIL EQUIPMENT DIVISION)

Filed with the Interstate Commerce Commission pursuant to 49
U.S.C. §11303 on , at , recordation number

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of September, 1979, between FMC CORPORATION (Marine and Rail Equipment Division) (the "Builder" or the "Vendor" as the context may require, all as more particularly set forth in Article 1 hereof) and FIRST SECURITY BANK OF UTAH, N.A., a national banking association, acting not in its individual capacity but solely as Trustee (the "Trustee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with THE FIRST NATIONAL BANK OF DENVER and SEAFIRST LEASING CORPORATION (individually an "Owner" and collectively the "Owners").

WHEREAS, the Builder agrees to construct, sell and deliver to the Trustee, and the Trustee agrees to purchase, subject to the terms and conditions hereof, the railroad equipment described in Annex B hereto to the extent not excluded herefrom under the provisions hereof (individually a "unit" and collectively the "Equipment") as more specifically described in Paragraph 4.3 hereof;

WHEREAS, the Trustee is entering into a Lease of Railroad Equipment with INTERPOOL LIMITED, a Bahamian corporation (the "Lessee"), acting through its Railpool division in substantially the form annexed hereto as Annex C (the "Lease"); and

WHEREAS, DOLLAR SAVINGS BANK OF NEW YORK (the "Investor") will finance a portion of the Purchase Price (as defined herein) of the Equipment pursuant to a Participation Agreement dated as of the date hereof (the "Participation Agreement") among the Lessee, the Investor, the Trustee and the Owners;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1

ASSIGNMENT; DEFINITIONS

1.1. Contemplated Sources of Purchase Price; Assignment. The parties hereto contemplate that the Trustee will furnish 34.407045% of the Purchase Price (as defined in Paragraph 4.1 hereof) of the Equipment and that an amount equal to the balance of such Purchase Price shall be paid to the Builder by the Investor pursuant to an Agreement and Assignment of Conditional Sale Indebtedness dated as of the date hereof (the "CSA Assignment") between the Builder and the Investor.

1.2 Lease Assignment. The Trustee will assign to the Vendor, as security for the payment and performance of all the Trustee's obligations hereunder, all right, title, and interest of the Trustee in and to the Lease, pursuant to an Assignment of

Lease and Agreement in substantially the form of Annex D hereto (the "Lease Assignment").

1.3 Meaning of "Builder" and "Vendor". The term "Builder", whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, the party hereto which has manufactured the units of Equipment to be constructed and sold hereunder and any successor or successors for the time being to its manufacturing properties and business. The term "Vendor", whenever used in this Agreement, means, before any such assignment, the Builder, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights, as regards such rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment. Any reference herein to this Agreement or any other agreement shall mean said agreement and all amendments and supplements hereto or thereto then in effect.

ARTICLE 2

CONSTRUCTION AND SALE

Pursuant to this Agreement, the Builder shall construct the Equipment at its plant described in Annex B hereto, and will sell and deliver the Equipment to the Trustee, and the Trustee will (as hereinafter provided) purchase from the Builder and accept delivery of and pay for the Equipment, each unit of which shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, the Trustee and the Lessee (which specifications and modifications, if any, are hereinafter called the "Specifications"). The Builder represents and warrants that (i) the design, quality and component parts of each unit of the Equipment to be delivered by the Builder under this Agreement shall conform, on the date of delivery and acceptance thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, (ii) none of such component parts will be used components and (iii) none of such units will have been used so as to preclude the original use thereof by the Lessee.

ARTICLE 3

INSPECTION AND DELIVERY

3.1 Place of Delivery. The Builder will deliver the units of the Equipment to the Trustee at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to

time by the Trustee), freight charges and storage charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that the Builder shall not have any obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) or (d) of Paragraph 16.1 hereof or subsequent to the occurrence of any event of default (as described in Paragraph 16.1 hereof), or event which, with the lapse of time and/or demand, could constitute such an event of default. The Builder agrees not to deliver any unit of its Equipment hereunder (a) following receipt of written notice from the Trustee or the Investor of the commencement of any such proceedings or the occurrence of any such event, as aforesaid or (b) until it receives notice (i) from the Investor that the conditions contained in Paragraph 7 of the Participation Agreement have been met and (ii) from the Trustee that the conditions contained in Paragraph 8 of the Participation Agreement have been met.

3.2 Force Majeure. The Builder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Builder's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

3.3 Exclusion of Equipment. Any Equipment not delivered pursuant to Paragraph 3.1 hereof and any Equipment not delivered and accepted hereunder on or before December 1, 1979, shall be excluded from this Agreement, and the Trustee shall be relieved of its obligation to purchase and pay for such Equipment. If any Equipment shall be excluded herefrom pursuant to the preceding sentence, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom.

3.4 Inspection. During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Trustee (who may be employees of the Lessee), and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect the materials used in the construction of the Equipment in accordance with the standard quality control practices of the Builder. Upon or after completion of each unit or of a number of units of the Equipment, such unit or units shall be presented to an inspector of the Trustee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications and requirements and standards applicable thereto, such inspector or an authorized representative of the Trustee

(who may be an employee of the Lessee) shall execute and deliver to the Builder of such units of Equipment a certificate of acceptance (the "Certificate of Acceptance") stating that such unit or units have been inspected and accepted on behalf of the Trustee and are marked in accordance with paragraph 10.1 of Article 10 hereof; provided, however, that the Builder shall not thereby be relieved of its warranty referred to in Paragraph 14.4 hereof. By §2 of the Lease, the Trustee is appointing the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee (or its employees or agents, as aforesaid) pursuant to §2 of the Lease shall be deemed to be acceptance of such unit by the Trustee.

3.5 Builder's Responsibilities After Delivery. On delivery by the Builder hereunder of units of Equipment and acceptance of each such unit hereunder at the place specified for delivery, the Builder shall have no further responsibility for, nor bear any risk of, any damage to or the destruction or loss of such unit; provided, however, that the Builder shall not thereby be relieved of its warranty referred to in Paragraph 14.4 hereof.

ARTICLE 4

PURCHASE PRICE AND PAYMENT

4.1 Meaning of "Purchase Price"; Exclusion of Units. The base price or prices per unit of the Equipment are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as are provided for in the contractual arrangement between the Builder and the Lessee (the "Purchase Order") or as otherwise may be agreed to by the Builder, the Trustee and the Lessee. The term "Purchase Price" as used herein shall mean the base price or prices as so increased or decreased as set forth in the invoice of the Builder delivered to the Trustee and, if the Purchase Price is other than the base price or prices set forth in said Annex B, the invoice or invoices shall be accompanied by, or have endorsed thereon, the agreement or approval of the Lessee and the Trustee (such invoice or invoices being hereinafter called the "Invoices"). If on the Closing Date (as hereinafter defined) the aggregate Purchase Price of Equipment would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Item 5 of Annex A hereto, the Builder (and any assignee of the Builder) will enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Trustee and the Lessee, as will, after giving effect to such exclusion, reduce such aggregate Purchase Price to not more than said Maximum Purchase Price (or such higher amount as aforesaid) and the Trustee shall have no further obligation or liability in respect of units so excluded.

4.2 Closing and Funding Dates. The term "Closing Date" shall be such date on which the Certificate of Acceptance with respect to the Equipment is executed and delivered by the

Lessee, which date will be, with the concurrence of the Trustee, the Investor and the Builder, but in no event shall such Date be later than October 10, 1979. The place of the closing shall be determined by mutual agreement among the parties hereto. On the "Funding Date," which date shall mean the first business day occurring 10 days after the Closing Date, the Trustee and the Investor will pay their respective portions of the Purchase Price of the Equipment to the Builder. At least five business days prior to the Closing Date, the Builder shall present to the Trustee and the Lessee the Invoices for the Equipment to be settled for. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other days on which banking institutions in Denver, Colorado and New York, New York, are authorized or obligated to remain closed.

4.3 Indebtedness of Trustee to Vendor. Subject to the terms of this Agreement, the Trustee hereby acknowledges itself to be indebted on the Closing Date to the Vendor in the amount of, and hereby promises to pay in cash or immediately available funds to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) on the Funding Date an amount equal to 34.407045% of the aggregate Purchase Price of the units of Equipment; and

(b) in 180 monthly installments, as hereinafter provided, an amount equal to the aggregate Purchase Price of the units of Equipment for which payment is then being made, less the aggregate amount paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph (said portion of the Purchase Price payable in installments under this subparagraph (b) is hereinafter called the "CSA Indebtedness").

4.4 CSA Indebtedness; Payment Dates; Interest.

(1) The installments of the CSA Indebtedness shall be payable monthly on the first day of each month, commencing on December 1, 1979, to and including November 1, 1994, each such date being hereinafter called a "Payment Date". The unpaid balance of the CSA Indebtedness shall bear interest, to the extent legally enforceable, from the Funding Date in respect of which such indebtedness was incurred at the rate of 11.00% per annum, which interest shall be payable in arrears on each Payment Date. Interim interest in an amount equal to the interest accrued from the Funding Date to the First Payment Date shall be payable on such date. The amounts of CSA Indebtedness payable on each Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto (subject to the provisions of Article 7 hereof) and the

aggregate of such installments of principal shall completely amortize the CSA Indebtedness at maturity. The Trustee will furnish to the Vendor and the Lessee promptly after the Closing Date a schedule, in such number of counterparts as shall be requested by the Vendor, showing the respective amounts of principal and interest payable on each Payment Date.

(2) If any of the dates for payment of principal or interest is not a business day, such payment shall be payable on the subsequent business day.

4.5 Calculation of Interest. Interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months.

4.6 Penalty Interest. The Trustee will pay interest, to the extent legally enforceable, at the rate of 12.00% per annum (the "Penalty Rate") upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

4.7 Currency of Payment. All payments provided for in this Agreement shall be made in immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Articles 7 and 16 hereof, the Trustee shall not have the privilege of prepaying any portion of the CSA Indebtedness prior to the date it becomes due.

4.8 Liability of Trustee to "Income and Proceeds from Equipment"; Meaning Thereof; Limitation on Execution of Judgments. (1) Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 16 and 17 hereof, except as set forth in this Paragraph 4.8), but not limiting the effect of Article 23 hereof, it is understood and agreed by the Vendor that the liability of the Trustee or any assignee of the Trustee for all payments to be made by it under and pursuant to this Agreement, with the exception only of the payments to be made pursuant to subparagraph (a) of Paragraph 4.3 hereof and the proviso to Paragraph 13.3 hereof, shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment".

(2) As used herein the term "income and proceeds from the Equipment" shall mean:

(i) if one of the events of default specified in Paragraph 16.1 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee or any assignee of the Trustee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of a Casualty Occurrence (as defined in Paragraph

7.2 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under §13 or any other provision of the Lease (except any indemnity paid or payable to the Trustee in its individual capacity pursuant to §6 or §12 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition, and

(ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) (not including amounts paid by the Lessee to the Trustee as reimbursement of sums paid by the Trustee on account of prior defaults under subparagraph A of §13.1 of the Lease), as are indistinguishably received by the Trustee or any assignee of the Trustee and as shall equal the portion of the CSA Indebtedness (including prepayments thereof required in respect of a Casualty Occurrence) and/or interest thereon due and payable by the Trustee on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the CSA Indebtedness (including prepayments thereof required in respect of a Casualty Occurrence) and/or interest thereon due and payable by the Trustee on the date on which amounts with respect thereto received by the Trustee or any assignee of the Trustee were required to be paid pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. Notwithstanding anything to the contrary contained in Article 16 or 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this paragraph, except as may be required by applicable rules of procedure to enforce against the Equipment, the Lessee and the Lease rather than against the Trustee personally, of appropriate proceedings against the Trustee at law or in equity or otherwise, its obligation to make the payments to be made pursuant to this Agreement or any other payments or perform obligations due to the Vendor under this Agreement. Nothing contained herein limiting the liability of the Trustee shall derogate from the right of the Vendor to proceed against the Equipment or the Lessee for the full unpaid Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder.

ARTICLE 5

SECURITY INTEREST IN THE EQUIPMENT

5.1 Vendor To Retain Security Interest; Accessions are Part of Equipment. The Vendor shall and hereby does retain a security interest in the Equipment until the Trustee shall have made all its payments under this Agreement and shall have kept and performed all of its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Lessee as provided in this Agreement and the Lease. Such retention of security interest is solely to secure performance by the Trustee of its obligations under this Agreement (without regard to any provision of this Agreement limiting the liability of the Trustee), and, subject thereto, ownership of the Equipment shall be and remain in the Trustee subject to such performance. Any and all parts installed on and additions and replacements made to any unit of the Equipment (i) which are not readily removable without causing material damage to such unit, (ii) the cost of which is included in the Purchase Price of such unit or (iii) which are required for the operation or use of such unit by the Association of American Railroads and/or the Interstate Commerce Commission, the United States Department of Transportation or any other applicable regulatory body, shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

5.2 Obligations Upon Payment of CSA Indebtedness. Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Trustee at that time, will (a) pay to the Trustee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided, (b) execute an instrument releasing its security interest in the Equipment and transferring such interest to the Trustee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such instrument to the Trustee at its address referred to in Article 22 hereof, and (c) execute and deliver at the same place for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to the Equipment; provided, however, that until the requirements under (a), (b), (c) above are fulfilled a security interest in the Equipment shall be and remain in the Vendor, notwithstanding the possession and use thereof by the Trustee, the Lessee, any Manager or any Sublessee (as such terms are

defined in the Lease) permitted under the Lease. The Trustee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 6

TAXES

6.1 General Tax Indemnification. Whether or not any of the transactions contemplated hereby are consummated, the Trustee agrees to pay, and to indemnify and hold the Vendor harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Trustee, the Owners, the Vendor, the Lessee, the trust estate created by the Trust Agreement or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any unit of the Equipment or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof, the rentals, receipts or earnings arising therefrom; or this Agreement, the CSA Assignment, the Lease, the Lease Assignment, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the Equipment (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or subdivision on its worldwide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Trustee

has not agreed to pay or indemnify against pursuant to this Article 6; provided, however, that the Trustee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Paragraph 6.2 hereof.

6.2 Claims; Contests; Refunds. If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Trustee. If reasonably requested by the Trustee in writing, the Vendor shall, upon receipt of any indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Trustee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Vendor; provided that, no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Trustee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Trustee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Paragraph 16.1 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

6.3 Reports or Returns. In case any report or return is required to be made with respect to any obligation of the Trustee under or arising out of this Article 6, the Trustee shall either make such report or return in such manner as will show the interests of the Vendor in the Equipment or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Trustee.

6.4 Survival. All of the obligations of the Trustee under this Article 6 shall survive and continue, notwithstanding payment in full of all other amounts due under this Agreement.

6.5 Article 6 Subject to Articles 4 and 23. The obligations of the Trustee under this Article 6 are subject to the limitations contained in Paragraph 4.8 hereof and in Article 23 hereof.

ARTICLE 7

MAINTENANCE AND CASUALTY OCCURRENCES

7.1 Maintenance. Subject to the limitations contained in Article 23 hereof, the Trustee shall, at its own cost and expense, maintain and keep such unit of the Equipment in good operating order and repair, ordinary wear and tear excepted.

7.2 Casualty Occurrences. In the event that any unit of Equipment shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever or the Purchase Price of any unit shall have been refunded by the Builder pursuant to the Builder's patent indemnities therefor as set forth in Item 4 of the Annex A hereto or any unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of the Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of the Lease (a "Casualty Occurrence"), the Trustee shall, promptly after it shall have received notice from the Lessee or been otherwise informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the next succeeding Payment Date on the CSA Indebtedness after such notice from the Lessee has been received (each such date hereinafter called a "Settlement Date"), the Trustee shall, subject to the limitations contained in Paragraph 4.8 hereof, pay to the Vendor a sum equal to the Casualty Value (as defined in Paragraph 7.3 hereof) of such unit suffering a Casualty Occurrence as of such Settlement Date. The Trustee shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this paragraph shall be applied (after the payment of the interest and principal due on such Payment Date) on the date of such payment to prepay, without penalty or premium, ratably in accordance with the unpaid balance of each installment, the CSA Indebtedness. The Trustee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as the Vendor and the Lessee may request, calculated as provided in Paragraph 4.4 hereof.

7.3 Casualty Value. The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Purchase Price thereof referred to in Paragraph 4.3(b) hereof remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this paragraph and Paragraph 7.4 hereof, each payment of the

Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all the Equipment.

7.4 Obligations Upon Payment of Casualty Value. Upon payment by the Trustee to the Vendor of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Trustee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute and deliver to the Trustee, at the expense of the Trustee, an appropriate instrument confirming such passage to the Trustee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such unit, in recordable form, in order that the Trustee may make clear upon the public records the title of the Trustee to such unit.

ARTICLE 8

INSURANCE PROCEEDS AND CONDEMNATION PAYMENTS

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of any unit suffering a Casualty Occurrence, the Vendor shall promptly pay such insurance proceeds or condemnation payments to the Trustee; provided, however, that no event of default shall have occurred and be continuing hereunder and the Trustee shall have made payment of the Casualty Value of such unit, together with accrued interest thereon, to the Vendor. All insurance proceeds received by the Vendor in respect of any unit of Equipment not suffering a Casualty Occurrence shall be paid to the Trustee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 9

REPORTS AND INSPECTIONS

On or before March 31 in each year, commencing with the year 1980 of the Lessee, the Trustee shall, subject to the provisions of Article 23 hereof, cause to be furnished to the Vendor an accurate statement to the effect set forth in §8 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment and the Trustee's and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10

MARKING OF EQUIPMENT

10.1 Marking of Equipment. The Trustee will cause each unit of the Equipment to be kept numbered and marked as provided in §5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by or on behalf of the Trustee in all public offices where this Agreement shall have been filed, recorded and deposited. In addition, the Trustee shall have furnished the Vendor with an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's interest in such units of Equipment and no filing, recording or deposit or giving of notice with or to any other Federal, State, or local government or agency thereof is necessary to protect the interests of the Vendor in such Units.

10.2 No Designations of Ownership. Except as provided in paragraph 10.1 of this Article 10, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee, its affiliates, or any Manager or Sublessee acting pursuant to an Approved Management Agreement or Approved Sublease (each as defined in the Participation Agreement).

10.3 Article 10 Subject to Article 23. The obligations of the Trustee under this Article are subject to the limitations contained in Article 23 hereof.

ARTICLE 11

COMPLIANCE WITH LAWS AND RULES

11.1 Compliance with Laws and Rules. During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessee's or user's operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction

over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of the Equipment, the Trustee will conform or will cause the Lessee to conform therewith at no expense to the Vendor; provided, however, that the Trustee or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

11.2 Article 11 Subject to Article 23. The obligations of the Trustee under this Article are subject to the limitations contained in Article 23 hereof.

ARTICLE 12

POSSESSION AND USE

12.1 Possession and Use of Equipment by Trustee. The Trustee, so long as an event of default shall not have occurred and be continuing under this Agreement, shall be entitled, from and after delivery of the Equipment by the Builder to the Trustee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

12.2 Lease Permitted; Lease Subordinate; No Amendment or Termination. The Trustee simultaneously is leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement. The Lease shall not be amended or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 13

PROHIBITION AGAINST LIENS

13.1 Trustee to Discharge Liens. The Trustee will pay or discharge any and all sums claimed by any party from, through or under the Trustee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, equal or superior to the Vendor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the

Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

13.2 No Breach for Certain Liens. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

13.3 Article 13 Subject to Article 23 Except in Certain Instances. The obligations of the Trustee under this Article 13 are subject to the limitations contained in Article 23 hereof; provided, however, that the Trustee will pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under the Trustee or its successors or assigns, and to the extent it receives funds sufficient for such purpose from the Owners, from, through or under the Owners and successors and assigns, not arising out of the transactions contemplated hereby or in other documents mentioned herein (but, to the extent that it receives funds sufficient for such purpose from the Owners, including taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or the Trustee's interest in the Lease and the payments to be made thereunder, but the Trustee shall not be required to pay or discharge any such tax, claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement.

ARTICLE 14

INDEMNITIES AND WARRANTIES

14.1 Indemnification. The Trustee shall pay, and shall protect, indemnify and hold the Vendor and any assignee hereof, and their respective successors, assigns, agents and servants ("Indemnified Persons"), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or

arising, or alleged to arise out of this Agreement or the Equipment, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any unit of Equipment or portion thereof, (ii) any latent and other defects whether or not discoverable by the Trustee or the Vendor, (iii) any claim for patent, trademark or copyright infringement, (iv) any claims based on strict liability in tort, (v) any injury to or the death of any person or any damage to or loss of property on or near the Equipment or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Equipment or of any other equipment in connection with the Equipment (whether owned or under the control of the Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Agreement or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Equipment or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or (vii) any claim arising out of the Vendor's retention of a security interest under this Agreement or the Lease Assignment; except that the Trustee shall not be liable to the Builder in respect of any of the foregoing matters to the extent liability in respect thereof arises from an act or omission of the Builder or is covered by the Builder's patent indemnification referred to in Paragraph 14.4 hereof. The Trustee shall be obligated under this Article 14, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Trustee under this Article 14 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Trustee may and, upon such Indemnified Persons' request, will at the Trustee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Trustee and approved by such Indemnified Person and, in the event of any failure by the Trustee to do so, the Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Trustee is required to make any payment under this Article 14, the Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense

indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Vendor and the Trustee agree to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Article 14 by the Trustee, and provided that no event of default described in Paragraph 16.1 hereof (or other event which with lapse of time or notice or both would constitute such an event of default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (other than the Trustee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to the Lease shall be paid over to the Trustee to the extent necessary to reimburse the Trustee for indemnification payments previously made in respect of such matter.

14.2 Survival; No Subrogation. The indemnities contained in this Article 14 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this Article 14 shall be deemed to create any rights of subrogation in any insurer or third party against the Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

14.3 Trustee Not Released if Equipment Damaged or Lost. The Trustee will bear the responsibility for, and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

14.4 Warranties of Builder; Patent Indemnities; Subject to Article 23. The agreement of the parties relating to the Builder's warranties of material and workmanship and the agreement of the parties relating to patent indemnification are set forth in Items 3 and 4 of Annex A hereto. The obligations of the Trustee pursuant to Paragraphs 14.1, 14.2 and 14.3 hereof are subject to the provisions of Article 23 hereof.

ARTICLE 15

ASSIGNMENTS

15.1 Assignment by Trustee. Except as provided in Article VII of the Trust Agreement, the Trustee will not (a) except as provided in Article 12 hereof, transfer the right to

possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement.

15.2 Assignment by Vendor. All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Builder from, any of the obligations of the Builder to construct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities referred to in Article 14 hereof, or relieve the Trustee of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 hereof, Annex A hereto and this Article 15, or any other obligation which, according to its terms or context, is intended to survive an assignment.

15.3 Notice of Assignment by Vendor. Upon any such assignment by Vendor, either the assignor or the assignee shall give written notice to the Trustee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Trustee of the notification of any such assignment, all payments thereafter to be made by the Trustee under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

15.4 No Setoff Against CSA Indebtedness Upon Assignment. The Trustee recognizes that this Agreement will be assigned to the Investor as provided in the CSA Assignment. The Trustee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Investor to the entire unpaid CSA Indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever by the Trustee arising out of any breach of any obligation of the Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Trustee by the Builder. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Trustee against and only against the Builder.

ARTICLE 16

DEFAULTS

16.1 Events of Default; Termination of Lease; Declaration of Default; Acceleration of CSA Indebtedness. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) the Trustee shall fail to pay or cause to be paid in full any sum payable by the Trustee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) and such default shall continue for 10 days after the date such payment is due and payable; or

(b) the Trustee or the Lessee shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee), the Lease Assignment or any covenant, agreement, term or provision of the Participation Agreement made expressly for the benefit of the Vendor or the Investor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) the Trustee, except as herein or in the Lease authorized or contemplated, shall make or suffer any unauthorized transfer or sublease (including, for the purpose of this clause, contracts for the use thereof) of any unit of Equipment without the written consent of the Lessee or the Vendor and shall fail or refuse either to cause such transfer or sublease to be cancelled by agreement of all parties having any interest therein or recover possession of such Equipment, as the case may be, within 30 days after the Vendor shall have demanded in writing such cancellation or recovery of possession, or within said 30 days to deposit with the Vendor a sum in cash equal to the Casualty Value (as defined in Article 7 hereof) of such unit of Equipment (any sum so deposited to be returned to the Trustee upon the cancellation of such transfer or sublease or the recovery of possession by the Trustee of such Equipment), or

(d) any Owner shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its properties or assets, (ii) be unable, or admit in writing its inability, to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or

to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or if corporate action shall be taken by it for the purpose of effecting any of the foregoing; or any proceeding shall be commenced against any Owner for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations hereunder or under the Lease, the Lease Assignment or the Participation Agreement of any Owner, as the case may be) and such proceedings shall continue unstayed and in effect for any period of 60 days, or

(e) an Event of Default (as defined therein) shall have occurred under the Lease.

(f) any other proceeding shall be commenced by or against the Trustee for any relief which includes, or might result in, any modification of the obligations of the Trustee hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Trustee under this Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Trustee under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee or for the property of the Trustee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Trustee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the rights of the Lessee under §15 of the Lease, cause the term of the Lease and/or any Approved Sublease or Approved Management Agreement immediately upon such notice to terminate (and the Trustee acknowledges the right of the Vendor to terminate the term of the Lease and/or any Approved Sublease or Approved Management Agreement), provided, however, that such termination shall not be in derogation of or impair the rights of the Trustee or the Vendor (under

the assignment thereof), as the case may be, to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under §13 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided in this Agreement), including the rights of the Trustee or the Vendor (under the assignment thereof), as the case may be, to sue for and recover damages provided for in §13 of the Lease upon the occurrence of an event of default under the Lease, and/or (ii) declare (a "Declaration of Default") the entire unpaid CSA Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the Penalty Rate to the extent legally enforceable. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Trustee, subject to the provisions of Articles 4 and 23 hereof, wherever situated. The Trustee shall promptly notify the Vendor of any event of which it has knowledge which constituted, constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

In the case of an event of default by the Lessee under subparagraph (b) or (e) above or an event of default under subparagraph (f) above, the Trustee shall have the option, for a period of 30 days after the commencement of such event of default, to prepay all, but not less than all, the then outstanding CSA Indebtedness plus interest accrued to the date of such payment and the obligations upon payment of the CSA Indebtedness in Paragraph 5.2 hereof shall apply; it being agreed, however, that unless and until the Trustee has unconditionally agreed with the Vendor (by written notice to the Vendor) to exercise such option, the Vendor may exercise all of its rights and remedies upon the occurrence of an event of default under this Agreement.

16.2 Waiver of Defaults. The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Trustee that time is of the essence in this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17

REMEDIES

17.1 Vendor May Take Possession of Equipment. At any time during the continuance of a Declaration of Default, the Vendor may, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Trustee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Trustee, the Lessee or any other person and for such purpose may enter upon the premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Trustee or the Lessee, subject to all mandatory requirements of due process of law.

17.2 Assembling of Equipment for Vendor. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment to the Vendor, the Trustee shall, subject to the provisions of Article 4 and Article 23 hereof, at its own expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units have been interchanged or which may have possession thereof to return the unit or units) place such units upon such storage tracks as the Vendor reasonably may designate;

(b) cause such units to be stored on such tracks without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the same to be transported to any reasonable place, as directed by the Vendor.

During any storage period, the Lessee has agreed pursuant to §11.1 of the Lease, at its own cost and expense, to insure, maintain and keep each such unit in good order and repair and to permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence to the agreement between the parties, and the Trustee acknowledges that upon application to any court of equity having jurisdiction in the premises, the

Vendor shall be entitled under the Lease as assignee of the rights of the Trustee thereunder to a decree against the Lessee requiring specific performance hereof. The Trustee and the Lessee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

17.3 Vendor May Dispose of or Retain Equipment. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as provided in Paragraph 17.1 hereof) may, at its election, retain the Equipment in satisfaction of the entire CSA Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee and the Lessee by telegram or registered mail, addressed as provided in Article 22 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

17.4 Vendor May Sell Equipment; Trustee's Right of Redemption. At any time during the continuance of a Declaration of Default, the Vendor, with or with retaking possession thereof, at its election and upon reasonable notice to the Trustee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Trustee, the Lessee or any other party claiming from, through or under the Trustee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to

the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fee and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

17.5 Sale of Equipment by Vendor. Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places, as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Trustee or the Lessee may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Trustee and the Lessee shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 22 hereof. In addition, if such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Trustee to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee (except to the extent of surplus money received as provided in Paragraph 17.7 hereof), and in payment of the purchase price thereof the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

17.6 Effects of Remedies and Powers and Exercise Thereof. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity not inconsistent herewith, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to

exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee shall not otherwise alter or affect the Vendor's rights or the Trustee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

17.7 Deficiencies. If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Trustee shall, subject to the limitations of Paragraph 4.8 hereof and Article 23 hereof, pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the Penalty Rate, and, if the Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall, subject to the limitations of Paragraph 4.8 hereof and Article 23 hereof, be entitled to recover a judgment therefor against the Trustee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Trustee.

17.8 Expenses. The Trustee will pay all reasonable fees, costs and expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment. The foregoing provisions of this paragraph shall be subject to the limitations set forth in Paragraph 4.8 hereof and Article 23 hereof.

17.9 Remedies Subject to Mandatory Legal Requirements. The foregoing provisions of this Article 17 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18

APPLICABLE STATE LAWS

18.1 Conflict with State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall

as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Trustee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

18.2 Waiver of Notices. Except as otherwise provided in this Agreement, the Trustee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights and any and all rights of redemption.

ARTICLE 19

RECORDING

19.1 Recording. Subject to the provisions of Article 23 hereof, the Trustee will,

(a) promptly after the execution and delivery of this Agreement, any assignments hereof, the Lease, any Approved Sublease, any Approved Management Agreement, any assignment, the Lease Assignment and each supplement hereto and thereto, respectively, cause this Agreement, any assignments hereof, the Lease, any subsequent agreement, any Approved Management Agreement, any Approved Sublease, any assignment, the Lease Assignment and each such supplement to be duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303,

(b) promptly cause all necessary filings and recordings of appropriate financing statements or continuation statements to be made, and from time to time when required refilings and rerecordings, in accordance with the applicable provisions of the Uniform Commercial Code of the State of Utah (and, if the Trustee changes its chief place of business to a different state, in any such other state) and in any other State of the United States of America or the District of Columbia where filing is reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its security interest in the Lease, any Approved Sublease, Approved Management Agreement and the Equipment and its rights under this Agreement and the Lease Assignment or for the purpose of carrying out the intention of this Agreement and the Lease Assignment,

(c) from time to time do and perform any other act and execute, acknowledge, deliver and file, register and record any and all further instruments required by law or reasonably requested by the Vendor for the purposes of proper protection of the security interest of the Vendor,

(d) furnish an opinion or opinions of counsel of the Lessee or any other local counsel acceptable to the Vendor in connection with such filing, registration, and recordation, and

(e) promptly furnish to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 20

REPRESENTATIONS AND WARRANTIES OF BUILDER

The Builder hereby represents and warrants to the Trustee, its successors and assigns, that this Agreement is duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Trustee, this Agreement is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder in accordance with its terms.

ARTICLE 21

ARTICLE AND PARAGRAPH HEADINGS; EFFECT AND MODIFICATION OF AGREEMENT

21.1 Article and Paragraph Headings for Convenience Only. All article and paragraph headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

21.2 Effect and Modification of Agreement. Except for the Participation Agreement, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor and the Trustee with respect to the Equipment and supercedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Trustee.

ARTICLE 22

NOTICE

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it by first class mail, postage prepaid, at its chief place of business at the following specified addresses:

(a) to the Trustee, at 79 South Main Street, Salt Lake City, Utah 84111, attention of Trust Division, Corporate Trust Department, with copies to the Owners at their respective address set forth in Appendix II of the Participation Agreement,

(b) to the Builder, at the address specified in Item 1 of Annex A hereto,

(c) to any assignee of the Vendor, or of the Trustee, at such address as may have been furnished in writing to the Trustee, or the Vendor, as the case may be, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 23

IMMUNITIES; SATISFACTION OF UNDERTAKINGS

23.1 No Recourse Against Certain Persons. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or any Owner, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

23.2 Satisfaction of Certain Covenants. The obligations of the Trustee under Paragraphs 7.1, 17.2, 17.7 and 17.8 hereof, and under Articles 6, 9, 10, 11, 13, 14 and 19 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects (except as set forth in Paragraph 13.3 thereof), and be of no further force or effect insofar as they involve personal liability for money or performance or otherwise of the Trustee, other than out of "income and proceeds from the Equipment" (as defined in Paragraph 4.8 hereof), by the

Lessee's execution and delivery of the Lease. The Trustee shall not have any responsibility for the Lessee's failure to perform such obligations; but if the same shall not be performed, they shall constitute the basis for an event of default hereunder pursuant to Article 16 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor; provided, however, that the Vendor shall consent to any agreement in writing between the Lessee and the Trustee increasing or decreasing the rentals, casualty values or termination values payable pursuant to §§3 and 7 of the Lease so long as the amounts payable thereunder are not reduced below those necessary to satisfy the obligations of the Trustee hereunder, such consent to be given by the Vendor within 30 days of delivery of a copy of any such agreement to the Vendor.

23.3 No Personal Liability of Trustee. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Trustee hereunder are each and every one of them made and intended not as personal representations, warranties and agreements by said financial institution, including its successors and assigns, or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by said financial institution solely in the exercise of the powers expressly conferred upon said financial institution as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owners hereunder (except as provided in Paragraph 13.3 hereof) on account of any representation, warranty or agreement of the Trustee or the Owner hereunder (except as aforesaid or pursuant to Section 4.3(a)), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under any of them, making claim hereunder, may look to said Trust Estate for satisfaction of the same. Nothing contained in this Section 23.3 shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Trustee (provided that neither the Trustee in its fiduciary or individual capacity nor any Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the Trustee or the Owners except as aforesaid) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Equipment or the Lessee under the Lease.

The Trustee agrees not to enter into any supplement or amendment of the Trust Agreement except as provided in Section 8.01 thereof as in effect on the date of execution and delivery hereof.

ARTICLE 24

LAW GOVERNING

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303, such additional rights, if any, arising out of the filing, recording or deposit hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any unit of Equipment shall be located, and such rights, if any, arising out of the marking of Equipment.

ARTICLE 25

EXECUTION

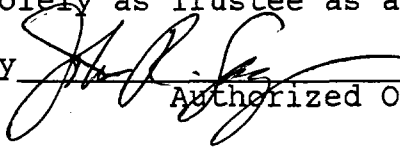
This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated, for convenience, as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

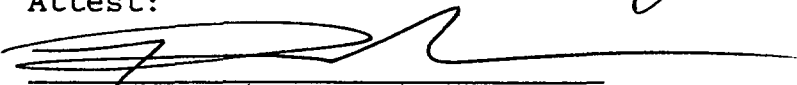
FIRST SECURITY BANK OF UTAH, N.A.
not in its individual capacity, but
solely as Trustee as aforesaid,

[Seal]

By


Authorized Officer

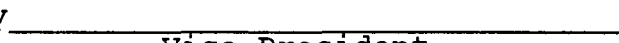
Attest:


Authorized Officer

FMC CORPORATION
(MARINE AND RAIL EQUIPMENT
DIVISION)

[Corporate Seal]

By


Vice President

Attest:

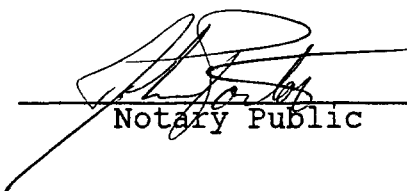

Assistant Secretary

STATE OF UTAH)
 : SS.:
COUNTY OF SALT LAKE)

On this 5th day of OCTOBER, 1979, before me personally appeared JOHN R. SABCE to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A. that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My commission expires: 9-7-82


Notary Public

STATE OF)
 : SS.:
COUNTY OF)

On this ____ day of _____, 1979, before me personally appeared _____ to me personally known, who being by me duly sworn, says that he is _____ of _____ that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My commission expires

Notary Public

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of CSA Indebtedness Payable in (i) One Interim Payment of Interest Only on December 1, 1979, (ii) 179 Monthly Installments of Principal and Interest commencing on January 1, 1980 and ending on November 1, 1994.

MONTH AND YEAR	ACCRUED INTEREST EXPENSE	CASH INTEREST EXPENSE	PRINCIPAL REPAYMENT	DEBT SERVICE	ENDING BALANCE
1/1980	9139.95	9166.67	2914.49	12081.16	997085.51
2/1980	9112.99	9139.95	2941.21	12081.16	994144.30
3/1980	9085.78	9112.99	2968.17	12081.16	991176.13
4/1980	9058.32	9085.78	2995.38	12081.16	988180.75
5/1980	9030.61	9058.32	3022.84	12081.16	985157.91
6/1980	9002.65	9030.61	3050.55	12081.16	982107.37
7/1980	8974.43	9002.65	3078.51	12081.16	979028.86
8/1980	8945.95	8974.43	3106.73	12081.16	975922.13
9/1980	8917.21	8945.95	3135.21	12081.16	972786.92
10/1980	8888.21	8917.21	3163.95	12081.16	969622.97
11/1980	8858.94	8888.21	3192.95	12081.16	966430.02
12/1980	8829.40	8858.94	3222.22	12081.16	963207.81
	<u>107844.46</u>	<u>108181.73</u>	<u>36792.19</u>	<u>144973.92</u>	
1/1981	8799.60	8829.40	3251.76	12081.16	959956.05
2/1981	8769.52	8799.60	3281.56	12081.16	956674.49
3/1981	8739.16	8769.52	3311.64	12081.16	953362.84
4/1981	8708.52	8739.16	3342.00	12081.16	950020.84
5/1981	8677.61	8708.52	3372.64	12081.16	946648.21
6/1981	8646.41	8677.61	3403.55	12081.16	943244.66
7/1981	8614.92	8646.41	3434.75	12081.16	939809.91
8/1981	8583.15	8614.92	3466.24	12081.16	936343.67
9/1981	8551.09	8583.15	3498.01	12081.16	932845.66
10/1981	8518.73	8551.09	3530.07	12081.16	929315.59
11/1981	8486.07	8518.73	3562.43	12081.16	925753.15
12/1981	8453.12	8486.07	3595.09	12081.16	922158.06
	<u>103547.89</u>	<u>103924.18</u>	<u>41049.74</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1982	8419.86	8453.12	3628.04	12081.16	918530.02
2/1982	8386.30	8419.86	3661.30	12081.16	914868.72
3/1982	8352.43	8386.30	3694.86	12081.16	911173.85
4/1982	8318.25	8352.43	3728.73	12081.16	907445.12
5/1982	8283.75	8318.25	3762.91	12081.16	903682.21
6/1982	8248.94	8283.75	3797.41	12081.16	899884.80
7/1982	8213.82	8248.94	3832.22	12081.16	896052.58
8/1982	8178.36	8213.82	3867.34	12081.16	892185.24
9/1982	8142.59	8178.36	3902.80	12081.16	888282.44
10/1982	8106.49	8142.59	3938.57	12081.16	884343.87
11/1982	8070.05	8106.49	3974.67	12081.16	880369.20
12/1982	8033.28	8070.05	4011.11	12081.16	876358.09
	<u>98754.11</u>	<u>99173.95</u>	<u>45799.97</u>	<u>144973.92</u>	
1/1983	7996.18	8033.28	4047.88	12081.16	872310.21
2/1983	7958.73	7996.18	4084.98	12081.16	868225.23
3/1983	7920.94	7958.73	4122.43	12081.16	864102.80
4/1983	7882.81	7920.94	4160.22	12081.16	859942.58
5/1983	7844.32	7882.81	4198.35	12081.16	855744.23
6/1983	7805.48	7844.32	4236.84	12081.16	851507.39
7/1983	7766.29	7805.48	4275.68	12081.16	847231.72
8/1983	7726.74	7766.29	4314.87	12081.16	842916.85
9/1983	7686.82	7726.74	4354.42	12081.16	838562.43
10/1983	7646.54	7686.82	4394.34	12081.16	834168.09
11/1983	7605.89	7646.54	4434.62	12081.16	829733.47
12/1983	7564.87	7605.89	4475.27	12081.16	825258.20
	<u>93405.61</u>	<u>93874.03</u>	<u>51099.89</u>	<u>144973.92</u>	
1/1984	7523.47	7564.87	4516.29	12081.16	820741.91
2/1984	7481.69	7523.47	4557.69	12081.16	816184.21
3/1984	7439.53	7481.69	4599.47	12081.16	811584.74
4/1984	7396.98	7439.53	4641.63	12081.16	806943.11
5/1984	7354.04	7396.98	4684.18	12081.16	802258.93
6/1984	7310.71	7354.04	4727.12	12081.16	797531.81
7/1984	7266.98	7310.71	4770.45	12081.16	792761.36
8/1984	7222.85	7266.98	4814.18	12081.16	787947.17
9/1984	7178.31	7222.85	4858.31	12081.16	783088.86
10/1984	7133.37	7178.31	4902.85	12081.16	778186.02
11/1984	7088.02	7133.37	4947.79	12081.16	773238.23
12/1984	7042.25	7088.02	4993.14	12081.16	768245.09
	<u>87438.19</u>	<u>87960.81</u>	<u>57013.11</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1985	6996.06	7042.25	5038.91	12081.16	763206.17
2/1985	6949.44	6996.06	5085.10	12081.16	758121.07
3/1985	6902.40	6949.44	5131.72	12081.16	752989.35
4/1985	6854.93	6902.40	5178.76	12081.16	747810.60
5/1985	6807.02	6854.93	5226.23	12081.16	742584.37
6/1985	6758.68	6807.02	5274.14	12081.16	737310.23
7/1985	6709.89	6758.68	5322.48	12081.16	731987.75
8/1985	6660.65	6709.89	5371.27	12081.16	726616.47
9/1985	6610.96	6660.65	5420.51	12081.16	721195.97
10/1985	6560.82	6610.96	5470.20	12081.16	715725.77
11/1985	6510.22	6560.82	5520.34	12081.16	710205.43
12/1985	6459.15	6510.22	5570.94	12081.16	704634.48
	<u>80780.22</u>	<u>81363.32</u>	<u>63610.60</u>	<u>144973.92</u>	
1/1986	6407.61	6459.15	5622.01	12081.16	699012.47
2/1986	6355.61	6407.61	5673.55	12081.16	693338.93
3/1986	6303.12	6355.61	5725.55	12081.16	687613.37
4/1986	6250.16	6303.12	5778.04	12081.16	681835.34
5/1986	6196.71	6250.16	5831.00	12081.16	676004.33
6/1986	6142.77	6196.71	5884.45	12081.16	670119.88
7/1986	6088.33	6142.77	5938.39	12081.16	664181.49
8/1986	6033.40	6088.33	5992.83	12081.16	658188.66
9/1986	5977.96	6033.40	6047.76	12081.16	652140.89
10/1986	5922.01	5977.96	6103.20	12081.16	646037.69
11/1986	5865.55	5922.01	6159.15	12081.16	639878.54
12/1986	5808.58	5865.55	6215.61	12081.16	633662.94
	<u>73351.80</u>	<u>74002.37</u>	<u>70971.55</u>	<u>144973.92</u>	
1/1987	5751.08	5808.58	6272.58	12081.16	627390.35
2/1987	5693.05	5751.08	6330.08	12081.16	621060.27
3/1987	5634.49	5693.05	6388.11	12081.16	614672.16
4/1987	5575.40	5634.49	6446.67	12081.16	608225.50
5/1987	5515.76	5575.40	6505.76	12081.16	601719.74
6/1987	5455.58	5515.76	6565.40	12081.16	595154.34
7/1987	5394.85	5455.58	6625.58	12081.16	588528.77
8/1987	5333.56	5394.85	6686.31	12081.16	581842.45
9/1987	5271.70	5333.56	6747.60	12081.16	575094.85
10/1987	5209.28	5271.70	6809.46	12081.16	568285.39
11/1987	5146.29	5209.28	6871.88	12081.16	561413.51
12/1987	5082.72	5146.29	6934.87	12081.16	554478.64
	<u>65063.77</u>	<u>65789.63</u>	<u>79184.29</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1988	5018.57	5082.72	6998.44	12081.16	547480.21
2/1988	4953.83	5018.57	7062.59	12081.16	540417.61
3/1988	4888.49	4953.83	7127.33	12081.16	533290.28
4/1988	4822.56	4888.49	7192.67	12081.16	526097.62
5/1988	4756.02	4822.56	7258.60	12081.16	518839.02
6/1988	4688.88	4756.02	7325.14	12081.16	511513.88
7/1988	4621.11	4688.88	7392.28	12081.16	504121.60
8/1988	4552.73	4621.11	7460.05	12081.16	496661.55
9/1988	4483.72	4552.73	7528.43	12081.16	489133.12
10/1988	4414.08	4483.72	7597.44	12081.16	481535.69
11/1988	4343.80	4414.08	7667.08	12081.16	473868.60
12/1988	4272.87	4343.80	7737.36	12081.16	466131.24
	<u>55816.66</u>	<u>56626.51</u>	<u>88347.41</u>	<u>144973.92</u>	

1/1989	4201.29	4272.87	7808.29	12081.16	458322.95
2/1989	4129.06	4201.29	7879.87	12081.16	450443.08
3/1989	4056.17	4129.06	7952.10	12081.16	442490.98
4/1989	3982.60	4056.17	8024.99	12081.16	434465.99
5/1989	3908.37	3982.60	8098.56	12081.16	426367.43
6/1989	3833.45	3908.37	8172.79	12081.16	418194.64
7/1989	3757.85	3833.45	8247.71	12081.16	409946.93
8/1989	3681.55	3757.85	8323.31	12081.16	401623.62
9/1989	3604.55	3681.55	8399.61	12081.16	393224.01
10/1989	3526.85	3604.55	8476.61	12081.16	384747.40
11/1989	3448.44	3526.85	8554.31	12081.16	376193.10
12/1989	3369.30	3448.44	8632.72	12081.16	367560.37
	<u>45499.49</u>	<u>46403.05</u>	<u>98570.87</u>	<u>144973.92</u>	

1/1990	3289.44	3369.30	8711.86	12081.16	358848.52
2/1990	3208.85	3289.44	8791.72	12081.16	350056.80
3/1990	3127.52	3208.85	8872.31	12081.16	341184.49
4/1990	3045.45	3127.52	8953.64	12081.16	332230.86
5/1990	2962.62	3045.45	9035.71	12081.16	323195.15
6/1990	2879.04	2962.62	9118.54	12081.16	314076.61
7/1990	2794.68	2879.04	9202.12	12081.16	304874.49
8/1990	2709.56	2794.68	9286.48	12081.16	295588.01
9/1990	2623.65	2709.56	9371.60	12081.16	286216.41
10/1990	2536.96	2623.65	9457.51	12081.16	276758.90
11/1990	2449.47	2536.96	9544.20	12081.16	267214.69
12/1990	2361.18	2449.47	9631.69	12081.16	257583.00
	<u>33988.42</u>	<u>34996.55</u>	<u>109977.37</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1991	2272.08	2361.18	9719.98	12081.16	247863.02
2/1991	2182.16	2272.08	9809.08	12081.16	238053.94
3/1991	2091.42	2182.16	9899.00	12081.16	228154.94
4/1991	1999.85	2091.42	9989.74	12081.16	218165.20
5/1991	1907.44	1999.85	10081.31	12081.16	208083.88
6/1991	1814.18	1907.44	10173.72	12081.16	197910.16
7/1991	1720.06	1814.18	10266.98	12081.16	187643.18
8/1991	1625.09	1720.06	10361.10	12081.16	177282.08
9/1991	1529.24	1625.09	10456.07	12081.16	166826.00
10/1991	1432.51	1529.24	10551.92	12081.16	156274.08
11/1991	1334.90	1432.51	10648.65	12081.16	145625.44
12/1991	1236.39	1334.90	10746.26	12081.16	134879.18
	<u>21145.31</u>	<u>22270.10</u>	<u>122703.82</u>	<u>144973.92</u>	
1/1992	1136.98	1236.39	10844.77	12081.16	124034.41
2/1992	1036.66	1136.98	10944.18	12081.16	113090.23
3/1992	935.42	1036.66	11044.50	12081.16	102045.73
4/1992	833.25	935.42	11145.74	12081.16	90899.99
5/1992	730.14	833.25	11247.91	12081.16	79652.08
6/1992	708.89	730.14	2318.98	3049.12	77333.10
7/1992	687.43	708.89	2340.23	3049.12	74992.87
8/1992	665.79	687.43	2361.69	3049.12	72631.19
9/1992	643.94	665.79	2383.33	3049.12	70247.85
10/1992	621.89	643.94	2405.18	3049.12	67842.67
11/1992	599.64	621.89	2427.23	3049.12	65415.44
12/1992	577.19	599.64	2449.48	3049.12	62965.96
	<u>9177.22</u>	<u>9836.43</u>	<u>71913.21</u>	<u>81749.64</u>	
1/1993	554.53	577.19	2471.93	3049.12	60494.03
2/1993	531.66	554.53	2494.59	3049.12	57999.44
3/1993	508.58	531.66	2517.46	3049.12	55481.98
4/1993	485.30	508.58	2540.54	3049.12	52941.45
5/1993	461.79	485.30	2563.82	3049.12	50377.62
6/1993	438.08	461.79	2587.33	3049.12	47790.30
7/1993	414.14	438.08	2611.04	3049.12	45179.25
8/1993	389.99	414.14	2634.98	3049.12	42544.28
9/1993	365.61	389.99	2659.13	3049.12	39885.15
10/1993	341.02	365.61	2683.51	3049.12	37201.64
11/1993	316.19	341.02	2708.10	3049.12	34493.54
12/1993	291.14	316.19	2732.93	3049.12	31760.61
	<u>5098.04</u>	<u>5384.08</u>	<u>31205.36</u>	<u>36589.44</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1994	265.86	291.14	2757.98	3049.12	29002.63
2/1994	240.34	265.86	2783.26	3049.12	26219.36
3/1994	214.60	240.34	2808.78	3049.12	23410.59
4/1994	188.61	214.60	2834.52	3049.12	20576.06
5/1994	162.39	188.61	2860.51	3049.12	17715.56
6/1994	135.93	162.39	2886.73	3049.12	14828.83
7/1994	109.23	135.93	2913.19	3049.12	11915.64
8/1994	82.28	109.23	2939.89	3049.12	8975.75
9/1994	55.08	82.28	2966.84	3049.12	6008.91
10/1994	27.64	55.08	2994.04	3049.12	3014.87
11/1994	0.0	27.64	3014.87	3042.50	0.0
12/1994	0.0	0.0	0.0	0.0	0.0
	<u>1481.96</u>	<u>1773.10</u>	<u>31760.61</u>	<u>33533.70</u>	
TOTALS	891559.82	891559.82	1000000.00	1891559.82	

ANNEX A
to
CONDITIONAL SALE AGREEMENT

- Item 1: FMC Corporation (Marine and Rail Equipment Division), a Delaware corporation, having an address at 4700 Northwest Front Avenue, Box 3616, Portland, Oregon 97208, attention of Vice President.
- Item 2: The Equipment shall be settled for in no more than 1 Group.
- Item 3: The Builder warrants that the Equipment will be built in accordance with the requirements, specifications and standards set forth in Article 2 of the CSA to which this Annex A is attached (the "Agreement") and warrants the Equipment will be free from defects in material (except as to specialties incorporated therein which were specified or supplied by the Lessee and not manufactured by the Builder) and workmanship under normal use and service, the Builder's obligation under this Item 3 being limited to making good at its factory any part or parts of any unit of the Equipment which shall be returned to the Builder with transportation charges prepaid, within one year after the delivery of such unit to the Lessee, and which the Builder's examination shall disclose to its satisfaction to have been thus defective. The foregoing warranty of the Builder is expressly in lieu of all other warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, except for its obligations or liabilities under Articles 2, 3, 4 and 14 of the Agreement, and the Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment, except as aforesaid. In no event shall the Builder be liable for special or consequential damages.
- The Builder further agrees with the Trustee and the Lessee that neither the inspection as provided in Article 3 of this Agreement nor any examination nor the acceptance of any units of the Equipment as provided in said Article 3 shall be deemed a waiver or a modification by the Trustee and the Lessee of any of their rights under this Item 3.
- Item 4: The Builder agrees to indemnify, protect and hold harmless the Trustee from and against any and all

cluding royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee, its assigns or the Lessee because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right, except any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee, its assigns, or the Lessee because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination specified by the Lessee and not developed or purported to be developed by the Builder or any article or material specified by the Lessee and not manufactured by the Builder. The Builder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Lessee every claim, right and cause of action which the Builder has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by the Builder for use in or about the construction or operation of any of the Equipment, on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, the satisfaction and discharge of this Agreement or the termination of this Agreement in any manner.

Item 5: The Maximum Purchase Price referred to in Paragraph 4.1 of the CSA to which this Annex A is attached is \$4,250,000.

Annex B
to
Conditional Sale Agreement

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Specifi- cations</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification</u>		<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
					<u>Numbers</u>	<u>(Both Inclusive)</u>			
50' 6" 70 ton single sheath Box Cars	XP	Substan- tially SK 971	Portland, Oregon	100	SLC	1000- 1099	\$41,357.72	\$4,135,772	October 5 to October 15, 1979 Portland, Oregon

CONDITIONAL SALE AGREEMENT

Dated as of September 1, 1979

between

FIRST SECURITY BANK OF UTAH, N.A.
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof

with

The First National Bank of Denver

and

Seafirst Leasing Corporation
(individually defined to be an "Owner"
and collectively to be the "Owners").

and

FMC CORPORATION
(MARINE AND RAIL EQUIPMENT DIVISION)

Filed with the Interstate Commerce Commission pursuant to 49
U.S.C. §11303 on , at , recordation number

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of September, 1979, between FMC CORPORATION (Marine and Rail Equipment Division) (the "Builder" or the "Vendor" as the context may require, all as more particularly set forth in Article 1 hereof) and FIRST SECURITY BANK OF UTAH, N.A., a national banking association, acting not in its individual capacity but solely as Trustee (the "Trustee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with THE FIRST NATIONAL BANK OF DENVER and SEAFIRST LEASING CORPORATION (individually an "Owner" and collectively the "Owners").

WHEREAS, the Builder agrees to construct, sell and deliver to the Trustee, and the Trustee agrees to purchase, subject to the terms and conditions hereof, the railroad equipment described in Annex B hereto to the extent not excluded herefrom under the provisions hereof (individually a "unit" and collectively the "Equipment") as more specifically described in Paragraph 4.3 hereof;

WHEREAS, the Trustee is entering into a Lease of Railroad Equipment with INTERPOOL LIMITED, a Bahamian corporation (the "Lessee"), acting through its Railpool division in substantially the form annexed hereto as Annex C (the "Lease"); and

WHEREAS, DOLLAR SAVINGS BANK OF NEW YORK (the "Investor") will finance a portion of the Purchase Price (as defined herein) of the Equipment pursuant to a Participation Agreement dated as of the date hereof (the "Participation Agreement") among the Lessee, the Investor, the Trustee and the Owners;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1

ASSIGNMENT; DEFINITIONS

1.1. Contemplated Sources of Purchase Price; Assignment. The parties hereto contemplate that the Trustee will furnish 34.407045% of the Purchase Price (as defined in Paragraph 4.1 hereof) of the Equipment and that an amount equal to the balance of such Purchase Price shall be paid to the Builder by the Investor pursuant to an Agreement and Assignment of Conditional Sale Indebtedness dated as of the date hereof (the "CSA Assignment") between the Builder and the Investor.

1.2 Lease Assignment. The Trustee will assign to the Vendor, as security for the payment and performance of all the Trustee's obligations hereunder, all right, title, and interest of the Trustee in and to the Lease, pursuant to an Assignment of

Lease and Agreement in substantially the form of Annex D hereto (the "Lease Assignment").

1.3 Meaning of "Builder" and "Vendor". The term "Builder", whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, the party hereto which has manufactured the units of Equipment to be constructed and sold hereunder and any successor or successors for the time being to its manufacturing properties and business. The term "Vendor", whenever used in this Agreement, means, before any such assignment, the Builder, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights, as regards such rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment. Any reference herein to this Agreement or any other agreement shall mean said agreement and all amendments and supplements hereto or thereto then in effect.

ARTICLE 2

CONSTRUCTION AND SALE

Pursuant to this Agreement, the Builder shall construct the Equipment at its plant described in Annex B hereto, and will sell and deliver the Equipment to the Trustee, and the Trustee will (as hereinafter provided) purchase from the Builder and accept delivery of and pay for the Equipment, each unit of which shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Builder, the Trustee and the Lessee (which specifications and modifications, if any, are hereinafter called the "Specifications"). The Builder represents and warrants that (i) the design, quality and component parts of each unit of the Equipment to be delivered by the Builder under this Agreement shall conform, on the date of delivery and acceptance thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit, (ii) none of such component parts will be used components and (iii) none of such units will have been used so as to preclude the original use thereof by the Lessee.

ARTICLE 3

INSPECTION AND DELIVERY

3.1 Place of Delivery. The Builder will deliver the units of the Equipment to the Trustee at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to

time by the Trustee), freight charges and storage charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that the Builder shall not have any obligation to deliver any unit of Equipment hereunder subsequent to the commencement of any proceedings specified in clause (c) or (d) of Paragraph 16.1 hereof or subsequent to the occurrence of any event of default (as described in Paragraph 16.1 hereof), or event which, with the lapse of time and/or demand, could constitute such an event of default. The Builder agrees not to deliver any unit of its Equipment hereunder (a) following receipt of written notice from the Trustee or the Investor of the commencement of any such proceedings or the occurrence of any such event, as aforesaid or (b) until it receives notice (i) from the Investor that the conditions contained in Paragraph 7 of the Participation Agreement have been met and (ii) from the Trustee that the conditions contained in Paragraph 8 of the Participation Agreement have been met.

3.2 Force Majeure. The Builder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Builder's reasonable control, including but not limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

3.3 Exclusion of Equipment. Any Equipment not delivered pursuant to Paragraph 3.1 hereof and any Equipment not delivered and accepted hereunder on or before December 1, 1979, shall be excluded from this Agreement, and the Trustee shall be relieved of its obligation to purchase and pay for such Equipment. If any Equipment shall be excluded herefrom pursuant to the preceding sentence, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom.

3.4 Inspection. During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Trustee (who may be employees of the Lessee), and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect the materials used in the construction of the Equipment in accordance with the standard quality control practices of the Builder. Upon or after completion of each unit or of a number of units of the Equipment, such unit or units shall be presented to an inspector of the Trustee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications and requirements and standards applicable thereto, such inspector or an authorized representative of the Trustee

(who may be an employee of the Lessee) shall execute and deliver to the Builder of such units of Equipment a certificate of acceptance (the "Certificate of Acceptance") stating that such unit or units have been inspected and accepted on behalf of the Trustee and are marked in accordance with paragraph 10.1 of Article 10 hereof; provided, however, that the Builder shall not thereby be relieved of its warranty referred to in Paragraph 14.4 hereof. By §2 of the Lease, the Trustee is appointing the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee (or its employees or agents, as aforesaid) pursuant to §2 of the Lease shall be deemed to be acceptance of such unit by the Trustee.

3.5 Builder's Responsibilities After Delivery. On delivery by the Builder hereunder of units of Equipment and acceptance of each such unit hereunder at the place specified for delivery, the Builder shall have no further responsibility for, nor bear any risk of, any damage to or the destruction or loss of such unit; provided, however, that the Builder shall not thereby be relieved of its warranty referred to in Paragraph 14.4 hereof.

ARTICLE 4

PURCHASE PRICE AND PAYMENT

4.1 Meaning of "Purchase Price"; Exclusion of Units. The base price or prices per unit of the Equipment are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as are provided for in the contractual arrangement between the Builder and the Lessee (the "Purchase Order") or as otherwise may be agreed to by the Builder, the Trustee and the Lessee. The term "Purchase Price" as used herein shall mean the base price or prices as so increased or decreased as set forth in the invoice of the Builder delivered to the Trustee and, if the Purchase Price is other than the base price or prices set forth in said Annex B, the invoice or invoices shall be accompanied by, or have endorsed thereon, the agreement or approval of the Lessee and the Trustee (such invoice or invoices being hereinafter called the "Invoices"). If on the Closing Date (as hereinafter defined) the aggregate Purchase Price of Equipment would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Item 5 of Annex A hereto, the Builder (and any assignee of the Builder) will enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Trustee and the Lessee, as will, after giving effect to such exclusion, reduce such aggregate Purchase Price to not more than said Maximum Purchase Price (or such higher amount as aforesaid) and the Trustee shall have no further obligation or liability in respect of units so excluded.

4.2 Closing and Funding Dates. The term "Closing Date" shall be such date on which the Certificate of Acceptance with respect to the Equipment is executed and delivered by the

Lessee, which date will be, with the concurrence of the Trustee, the Investor and the Builder, but in no event shall such Date be later than October 10, 1979. The place of the closing shall be determined by mutual agreement among the parties hereto. On the "Funding Date," which date shall mean the first business day occurring 10 days after the Closing Date, the Trustee and the Investor will pay their respective portions of the Purchase Price of the Equipment to the Builder. At least five business days prior to the Closing Date, the Builder shall present to the Trustee and the Lessee the Invoices for the Equipment to be settled for. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other days on which banking institutions in Denver, Colorado and New York, New York, are authorized or obligated to remain closed.

4.3 Indebtedness of Trustee to Vendor. Subject to the terms of this Agreement, the Trustee hereby acknowledges itself to be indebted on the Closing Date to the Vendor in the amount of, and hereby promises to pay in cash or immediately available funds to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

(a) on the Funding Date an amount equal to 34.407045% of the aggregate Purchase Price of the units of Equipment; and

(b) in 180 monthly installments, as hereinafter provided, an amount equal to the aggregate Purchase Price of the units of Equipment for which payment is then being made, less the aggregate amount paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph (said portion of the Purchase Price payable in installments under this subparagraph (b) is hereinafter called the "CSA Indebtedness").

4.4 CSA Indebtedness; Payment Dates; Interest.

(1) The installments of the CSA Indebtedness shall be payable monthly on the first day of each month, commencing on December 1, 1979, to and including November 1, 1994, each such date being hereinafter called a "Payment Date". The unpaid balance of the CSA Indebtedness shall bear interest, to the extent legally enforceable, from the Funding Date in respect of which such indebtedness was incurred at the rate of 11.00% per annum, which interest shall be payable in arrears on each Payment Date. Interim interest in an amount equal to the interest accrued from the Funding Date to the First Payment Date shall be payable on such date. The amounts of CSA Indebtedness payable on each Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto (subject to the provisions of Article 7 hereof) and the

aggregate of such installments of principal shall completely amortize the CSA Indebtedness at maturity. The Trustee will furnish to the Vendor and the Lessee promptly after the Closing Date a schedule, in such number of counterparts as shall be requested by the Vendor, showing the respective amounts of principal and interest payable on each Payment Date.

(2) If any of the dates for payment of principal or interest is not a business day, such payment shall be payable on the subsequent business day.

4.5 Calculation of Interest. Interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months.

4.6 Penalty Interest. The Trustee will pay interest, to the extent legally enforceable, at the rate of 12.00% per annum (the "Penalty Rate") upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof or such lesser amount as shall be legally enforceable, anything herein to the contrary notwithstanding.

4.7 Currency of Payment. All payments provided for in this Agreement shall be made in immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Articles 7 and 16 hereof, the Trustee shall not have the privilege of prepaying any portion of the CSA Indebtedness prior to the date it becomes due.

4.8 Liability of Trustee to "Income and Proceeds from Equipment"; Meaning Thereof; Limitation on Execution of Judgments. (1) Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 16 and 17 hereof, except as set forth in this Paragraph 4.8), but not limiting the effect of Article 23 hereof, it is understood and agreed by the Vendor that the liability of the Trustee or any assignee of the Trustee for all payments to be made by it under and pursuant to this Agreement, with the exception only of the payments to be made pursuant to subparagraph (a) of Paragraph 4.3 hereof and the proviso to Paragraph 13.3 hereof, shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment".

(2) As used herein the term "income and proceeds from the Equipment" shall mean:

(i) if one of the events of default specified in Paragraph 16.1 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee or any assignee of the Trustee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of a Casualty Occurrence (as defined in Paragraph

7.2 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under §13 or any other provision of the Lease (except any indemnity paid or payable to the Trustee in its individual capacity pursuant to §6 or §12 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition, and

(ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) (not including amounts paid by the Lessee to the Trustee as reimbursement of sums paid by the Trustee on account of prior defaults under subparagraph A of §13.1 of the Lease), as are indistinguishably received by the Trustee or any assignee of the Trustee and as shall equal the portion of the CSA Indebtedness (including prepayments thereof required in respect of a Casualty Occurrence) and/or interest thereon due and payable by the Trustee on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the CSA Indebtedness (including prepayments thereof required in respect of a Casualty Occurrence) and/or interest thereon due and payable by the Trustee on the date on which amounts with respect thereto received by the Trustee or any assignee of the Trustee were required to be paid pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. Notwithstanding anything to the contrary contained in Article 16 or 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to amounts payable pursuant to the limitations set forth in this paragraph, except as may be required by applicable rules of procedure to enforce against the Equipment, the Lessee and the Lease rather than against the Trustee personally, of appropriate proceedings against the Trustee at law or in equity or otherwise, its obligation to make the payments to be made pursuant to this Agreement or any other payments or perform obligations due to the Vendor under this Agreement. Nothing contained herein limiting the liability of the Trustee shall derogate from the right of the Vendor to proceed against the Equipment or the Lessee for the full unpaid Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder.

ARTICLE 5

SECURITY INTEREST IN THE EQUIPMENT

5.1 Vendor To Retain Security Interest; Accessions are Part of Equipment. The Vendor shall and hereby does retain a security interest in the Equipment until the Trustee shall have made all its payments under this Agreement and shall have kept and performed all of its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Lessee as provided in this Agreement and the Lease. Such retention of security interest is solely to secure performance by the Trustee of its obligations under this Agreement (without regard to any provision of this Agreement limiting the liability of the Trustee), and, subject thereto, ownership of the Equipment shall be and remain in the Trustee subject to such performance. Any and all parts installed on and additions and replacements made to any unit of the Equipment (i) which are not readily removable without causing material damage to such unit, (ii) the cost of which is included in the Purchase Price of such unit or (iii) which are required for the operation or use of such unit by the Association of American Railroads and/or the Interstate Commerce Commission, the United States Department of Transportation or any other applicable regulatory body, shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

5.2 Obligations Upon Payment of CSA Indebtedness. Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Trustee at that time, will (a) pay to the Trustee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided, (b) execute an instrument releasing its security interest in the Equipment and transferring such interest to the Trustee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such instrument to the Trustee at its address referred to in Article 22 hereof, and (c) execute and deliver at the same place for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to the Equipment; provided, however, that until the requirements under (a), (b), (c) above are fulfilled a security interest in the Equipment shall be and remain in the Vendor, notwithstanding the possession and use thereof by the Trustee, the Lessee, any Manager or any Sublessee (as such terms are

defined in the Lease) permitted under the Lease. The Trustee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 6

TAXES

6.1 General Tax Indemnification. Whether or not any of the transactions contemplated hereby are consummated, the Trustee agrees to pay, and to indemnify and hold the Vendor harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Trustee, the Owners, the Vendor, the Lessee, the trust estate created by the Trust Agreement or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any unit of the Equipment or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof, the rentals, receipts or earnings arising therefrom; or this Agreement, the CSA Assignment, the Lease, the Lease Assignment, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the Equipment (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or subdivision on its worldwide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Trustee

has not agreed to pay or indemnify against pursuant to this Article 6; provided, however, that the Trustee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Paragraph 6.2 hereof.

6.2 Claims; Contests; Refunds. If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Trustee. If reasonably requested by the Trustee in writing, the Vendor shall, upon receipt of any indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Trustee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Vendor; provided that, no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Trustee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Trustee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Paragraph 16.1 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

6.3 Reports or Returns. In case any report or return is required to be made with respect to any obligation of the Trustee under or arising out of this Article 6, the Trustee shall either make such report or return in such manner as will show the interests of the Vendor in the Equipment or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Trustee.

6.4 Survival. All of the obligations of the Trustee under this Article 6 shall survive and continue, notwithstanding payment in full of all other amounts due under this Agreement.

6.5 Article 6 Subject to Articles 4 and 23. The obligations of the Trustee under this Article 6 are subject to the limitations contained in Paragraph 4.8 hereof and in Article 23 hereof.

ARTICLE 7

MAINTENANCE AND CASUALTY OCCURRENCES

7.1 Maintenance. Subject to the limitations contained in Article 23 hereof, the Trustee shall, at its own cost and expense, maintain and keep such unit of the Equipment in good operating order and repair, ordinary wear and tear excepted.

7.2 Casualty Occurrences. In the event that any unit of Equipment shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever or the Purchase Price of any unit shall have been refunded by the Builder pursuant to the Builder's patent indemnities therefor as set forth in Item 4 of the Annex A hereto or any unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated period which shall exceed the then remaining term of the Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of the Lease (a "Casualty Occurrence"), the Trustee shall, promptly after it shall have received notice from the Lessee or been otherwise informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the next succeeding Payment Date on the CSA Indebtedness after such notice from the Lessee has been received (each such date hereinafter called a "Settlement Date"), the Trustee shall, subject to the limitations contained in Paragraph 4.8 hereof, pay to the Vendor a sum equal to the Casualty Value (as defined in Paragraph 7.3 hereof) of such unit suffering a Casualty Occurrence as of such Settlement Date. The Trustee shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this paragraph shall be applied (after the payment of the interest and principal due on such Payment Date) on the date of such payment to prepay, without penalty or premium, ratably in accordance with the unpaid balance of each installment, the CSA Indebtedness. The Trustee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as the Vendor and the Lessee may request, calculated as provided in Paragraph 4.4 hereof.

7.3 Casualty Value. The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Purchase Price thereof referred to in Paragraph 4.3(b) hereof remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this paragraph and Paragraph 7.4 hereof, each payment of the

Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all the Equipment.

7.4 Obligations Upon Payment of Casualty Value. Upon payment by the Trustee to the Vendor of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Trustee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Trustee, will execute and deliver to the Trustee, at the expense of the Trustee, an appropriate instrument confirming such passage to the Trustee of all the Vendor's right, title and interest, and the release of the Vendor's security interest, in such unit, in recordable form, in order that the Trustee may make clear upon the public records the title of the Trustee to such unit.

ARTICLE 8

INSURANCE PROCEEDS AND CONDEMNATION PAYMENTS

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of any unit suffering a Casualty Occurrence, the Vendor shall promptly pay such insurance proceeds or condemnation payments to the Trustee; provided, however, that no event of default shall have occurred and be continuing hereunder and the Trustee shall have made payment of the Casualty Value of such unit, together with accrued interest thereon, to the Vendor. All insurance proceeds received by the Vendor in respect of any unit of Equipment not suffering a Casualty Occurrence shall be paid to the Trustee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 9

REPORTS AND INSPECTIONS

On or before March 31 in each year, commencing with the year 1980 of the Lessee, the Trustee shall, subject to the provisions of Article 23 hereof, cause to be furnished to the Vendor an accurate statement to the effect set forth in §8 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment and the Trustee's and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10

MARKING OF EQUIPMENT

10.1 Marking of Equipment. The Trustee will cause each unit of the Equipment to be kept numbered and marked as provided in §5 of the Lease. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by or on behalf of the Trustee in all public offices where this Agreement shall have been filed, recorded and deposited. In addition, the Trustee shall have furnished the Vendor with an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's interest in such units of Equipment and no filing, recording or deposit or giving of notice with or to any other Federal, State, or local government or agency thereof is necessary to protect the interests of the Vendor in such Units.

10.2 No Designations of Ownership. Except as provided in paragraph 10.1 of this Article 10, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee, its affiliates, or any Manager or Sublessee acting pursuant to an Approved Management Agreement or Approved Sublease (each as defined in the Participation Agreement).

10.3 Article 10 Subject to Article 23. The obligations of the Trustee under this Article are subject to the limitations contained in Article 23 hereof.

ARTICLE 11

COMPLIANCE WITH LAWS AND RULES

11.1 Compliance with Laws and Rules. During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessee's or user's operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction

over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of the Equipment, the Trustee will conform or will cause the Lessee to conform therewith at no expense to the Vendor; provided, however, that the Trustee or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

11.2 Article 11 Subject to Article 23. The obligations of the Trustee under this Article are subject to the limitations contained in Article 23 hereof.

ARTICLE 12

POSSESSION AND USE

12.1 Possession and Use of Equipment by Trustee. The Trustee, so long as an event of default shall not have occurred and be continuing under this Agreement, shall be entitled, from and after delivery of the Equipment by the Builder to the Trustee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

12.2 Lease Permitted; Lease Subordinate; No Amendment or Termination. The Trustee simultaneously is leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement. The Lease shall not be amended or terminated (except in accordance with its terms) without the prior written consent of the Vendor.

ARTICLE 13

PROHIBITION AGAINST LIENS

13.1 Trustee to Discharge Liens. The Trustee will pay or discharge any and all sums claimed by any party from, through or under the Trustee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment, or any unit thereof, equal or superior to the Vendor's security interest therein, and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the

Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

13.2 No Breach for Certain Liens. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

13.3 Article 13 Subject to Article 23 Except in Certain Instances. The obligations of the Trustee under this Article 13 are subject to the limitations contained in Article 23 hereof; provided, however, that the Trustee will pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under the Trustee or its successors or assigns, and to the extent it receives funds sufficient for such purpose from the Owners, from, through or under the Owners and successors and assigns, not arising out of the transactions contemplated hereby or in other documents mentioned herein (but, to the extent that it receives funds sufficient for such purpose from the Owners, including taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or the Trustee's interest in the Lease and the payments to be made thereunder, but the Trustee shall not be required to pay or discharge any such tax, claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement.

ARTICLE 14

INDEMNITIES AND WARRANTIES

14.1 Indemnification. The Trustee shall pay, and shall protect, indemnify and hold the Vendor and any assignee hereof, and their respective successors, assigns, agents and servants ("Indemnified Persons"), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or

arising, or alleged to arise out of this Agreement or the Equipment, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any unit of Equipment or portion thereof, (ii) any latent and other defects whether or not discoverable by the Trustee or the Vendor, (iii) any claim for patent, trademark or copyright infringement, (iv) any claims based on strict liability in tort, (v) any injury to or the death of any person or any damage to or loss of property on or near the Equipment or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Equipment or of any other equipment in connection with the Equipment (whether owned or under the control of the Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Agreement or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Equipment or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or (vii) any claim arising out of the Vendor's retention of a security interest under this Agreement or the Lease Assignment; except that the Trustee shall not be liable to the Builder in respect of any of the foregoing matters to the extent liability in respect thereof arises from an act or omission of the Builder or is covered by the Builder's patent indemnification referred to in Paragraph 14.4 hereof. The Trustee shall be obligated under this Article 14, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Trustee under this Article 14 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Trustee may and, upon such Indemnified Persons' request, will at the Trustee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Trustee and approved by such Indemnified Person and, in the event of any failure by the Trustee to do so, the Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Trustee is required to make any payment under this Article 14, the Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense

indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Vendor and the Trustee agree to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Article 14 by the Trustee, and provided that no event of default described in Paragraph 16.1 hereof (or other event which with lapse of time or notice or both would constitute such an event of default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (other than the Trustee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to the Lease shall be paid over to the Trustee to the extent necessary to reimburse the Trustee for indemnification payments previously made in respect of such matter.

14.2 Survival; No Subrogation. The indemnities contained in this Article 14 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this Article 14 shall be deemed to create any rights of subrogation in any insurer or third party against the Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

14.3 Trustee Not Released if Equipment Damaged or Lost. The Trustee will bear the responsibility for, and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

14.4 Warranties of Builder; Patent Indemnities; Subject to Article 23. The agreement of the parties relating to the Builder's warranties of material and workmanship and the agreement of the parties relating to patent indemnification are set forth in Items 3 and 4 of Annex A hereto. The obligations of the Trustee pursuant to Paragraphs 14.1, 14.2 and 14.3 hereof are subject to the provisions of Article 23 hereof.

ARTICLE 15

ASSIGNMENTS

15.1 Assignment by Trustee. Except as provided in Article VII of the Trust Agreement, the Trustee will not (a) except as provided in Article 12 hereof, transfer the right to

possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement.

15.2 Assignment by Vendor. All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Builder from, any of the obligations of the Builder to construct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities referred to in Article 14 hereof, or relieve the Trustee of its obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 hereof, Annex A hereto and this Article 15, or any other obligation which, according to its terms or context, is intended to survive an assignment.

15.3 Notice of Assignment by Vendor. Upon any such assignment by Vendor, either the assignor or the assignee shall give written notice to the Trustee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Trustee of the notification of any such assignment, all payments thereafter to be made by the Trustee under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

15.4 No Setoff Against CSA Indebtedness Upon Assignment. The Trustee recognizes that this Agreement will be assigned to the Investor as provided in the CSA Assignment. The Trustee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the Investor to the entire unpaid CSA Indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever by the Trustee arising out of any breach of any obligation of the Builder with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Trustee by the Builder. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Trustee against and only against the Builder.

ARTICLE 16

DEFAULTS

16.1 Events of Default; Termination of Lease; Declaration of Default; Acceleration of CSA Indebtedness. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) the Trustee shall fail to pay or cause to be paid in full any sum payable by the Trustee when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee) and such default shall continue for 10 days after the date such payment is due and payable; or

(b) the Trustee or the Lessee shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Trustee), the Lease Assignment or any covenant, agreement, term or provision of the Participation Agreement made expressly for the benefit of the Vendor or the Investor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

(c) the Trustee, except as herein or in the Lease authorized or contemplated, shall make or suffer any unauthorized transfer or sublease (including, for the purpose of this clause, contracts for the use thereof) of any unit of Equipment without the written consent of the Lessee or the Vendor and shall fail or refuse either to cause such transfer or sublease to be cancelled by agreement of all parties having any interest therein or recover possession of such Equipment, as the case may be, within 30 days after the Vendor shall have demanded in writing such cancellation or recovery of possession, or within said 30 days to deposit with the Vendor a sum in cash equal to the Casualty Value (as defined in Article 7 hereof) of such unit of Equipment (any sum so deposited to be returned to the Trustee upon the cancellation of such transfer or sublease or the recovery of possession by the Trustee of such Equipment), or

(d) any Owner shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its properties or assets, (ii) be unable, or admit in writing its inability, to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or

to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or if corporate action shall be taken by it for the purpose of effecting any of the foregoing; or any proceeding shall be commenced against any Owner for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations hereunder or under the Lease, the Lease Assignment or the Participation Agreement of any Owner, as the case may be) and such proceedings shall continue unstayed and in effect for any period of 60 days, or

(e) an Event of Default (as defined therein) shall have occurred under the Lease.

(f) any other proceeding shall be commenced by or against the Trustee for any relief which includes, or might result in, any modification of the obligations of the Trustee hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Trustee under this Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Trustee under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee or for the property of the Trustee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Trustee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the rights of the Lessee under §15 of the Lease, cause the term of the Lease and/or any Approved Sublease or Approved Management Agreement immediately upon such notice to terminate (and the Trustee acknowledges the right of the Vendor to terminate the term of the Lease and/or any Approved Sublease or Approved Management Agreement), provided, however, that such termination shall not be in derogation of or impair the rights of the Trustee or the Vendor (under

the assignment thereof), as the case may be, to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under §13 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided in this Agreement), including the rights of the Trustee or the Vendor (under the assignment thereof), as the case may be, to sue for and recover damages provided for in §13 of the Lease upon the occurrence of an event of default under the Lease, and/or (ii) declare (a "Declaration of Default") the entire unpaid CSA Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the Penalty Rate to the extent legally enforceable. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Trustee, subject to the provisions of Articles 4 and 23 hereof, wherever situated. The Trustee shall promptly notify the Vendor of any event of which it has knowledge which constituted, constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

In the case of an event of default by the Lessee under subparagraph (b) or (e) above or an event of default under subparagraph (f) above, the Trustee shall have the option, for a period of 30 days after the commencement of such event of default, to prepay all, but not less than all, the then outstanding CSA Indebtedness plus interest accrued to the date of such payment and the obligations upon payment of the CSA Indebtedness in Paragraph 5.2 hereof shall apply; it being agreed, however, that unless and until the Trustee has unconditionally agreed with the Vendor (by written notice to the Vendor) to exercise such option, the Vendor may exercise all of its rights and remedies upon the occurrence of an event of default under this Agreement.

16.2 Waiver of Defaults. The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Trustee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Trustee that time is of the essence in this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17

REMEDIES

17.1 Vendor May Take Possession of Equipment. At any time during the continuance of a Declaration of Default, the Vendor may, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Trustee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Trustee, the Lessee or any other person and for such purpose may enter upon the premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Trustee or the Lessee, subject to all mandatory requirements of due process of law.

17.2 Assembling of Equipment for Vendor. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment to the Vendor, the Trustee shall, subject to the provisions of Article 4 and Article 23 hereof, at its own expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units have been interchanged or which may have possession thereof to return the unit or units) place such units upon such storage tracks as the Vendor reasonably may designate;

(b) cause such units to be stored on such tracks without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the same to be transported to any reasonable place, as directed by the Vendor.

During any storage period, the Lessee has agreed pursuant to §11.1 of the Lease, at its own cost and expense, to insure, maintain and keep each such unit in good order and repair and to permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence to the agreement between the parties, and the Trustee acknowledges that upon application to any court of equity having jurisdiction in the premises, the

Vendor shall be entitled under the Lease as assignee of the rights of the Trustee thereunder to a decree against the Lessee requiring specific performance hereof. The Trustee and the Lessee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

17.3 Vendor May Dispose of or Retain Equipment. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as provided in Paragraph 17.1 hereof) may, at its election, retain the Equipment in satisfaction of the entire CSA Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee and the Lessee by telegram or registered mail, addressed as provided in Article 22 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease disposition as herein-after provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

17.4 Vendor May Sell Equipment; Trustee's Right of Redemption. At any time during the continuance of a Declaration of Default, the Vendor, with or with retaking possession thereof, at its election and upon reasonable notice to the Trustee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Trustee, the Lessee or any other party claiming from, through or under the Trustee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to

the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fee and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

17.5 Sale of Equipment by Vendor. Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places, as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor, the Trustee or the Lessee may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Trustee and the Lessee shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 22 hereof. In addition, if such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Trustee to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee (except to the extent of surplus money received as provided in Paragraph 17.7 hereof), and in payment of the purchase price thereof the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

17.6 Effects of Remedies and Powers and Exercise Thereof. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity not inconsistent herewith, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to

exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee shall not otherwise alter or affect the Vendor's rights or the Trustee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

17.7 Deficiencies. If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Trustee shall, subject to the limitations of Paragraph 4.8 hereof and Article 23 hereof, pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the Penalty Rate, and, if the Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall, subject to the limitations of Paragraph 4.8 hereof and Article 23 hereof, be entitled to recover a judgment therefor against the Trustee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Trustee.

17.8 Expenses. The Trustee will pay all reasonable fees, costs and expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment. The foregoing provisions of this paragraph shall be subject to the limitations set forth in Paragraph 4.8 hereof and Article 23 hereof.

17.9 Remedies Subject to Mandatory Legal Requirements. The foregoing provisions of this Article 17 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18

APPLICABLE STATE LAWS

18.1 Conflict with State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall

as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Trustee to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

18.2 Waiver of Notices. Except as otherwise provided in this Agreement, the Trustee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights and any and all rights of redemption.

ARTICLE 19

RECORDING

19.1 Recording. Subject to the provisions of Article 23 hereof, the Trustee will,

(a) promptly after the execution and delivery of this Agreement, any assignments hereof, the Lease, any Approved Sublease, any Approved Management Agreement, any assignment, the Lease Assignment and each supplement hereto and thereto, respectively, cause this Agreement, any assignments hereof, the Lease, any subsequent agreement, any Approved Management Agreement, any Approved Sublease, any assignment, the Lease Assignment and each such supplement to be duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303,

(b) promptly cause all necessary filings and recordings of appropriate financing statements or continuation statements to be made, and from time to time when required refilings and rerecordings, in accordance with the applicable provisions of the Uniform Commercial Code of the State of Utah (and, if the Trustee changes its chief place of business to a different state, in any such other state) and in any other State of the United States of America or the District of Columbia where filing is reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its security interest in the Lease, any Approved Sublease, Approved Management Agreement and the Equipment and its rights under this Agreement and the Lease Assignment or for the purpose of carrying out the intention of this Agreement and the Lease Assignment,

(c) from time to time do and perform any other act and execute, acknowledge, deliver and file, register and record any and all further instruments required by law or reasonably requested by the Vendor for the purposes of proper protection of the security interest of the Vendor,

(d) furnish an opinion or opinions of counsel of the Lessee or any other local counsel acceptable to the Vendor in connection with such filing, registration, and recordation, and

(e) promptly furnish to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 20

REPRESENTATIONS AND WARRANTIES OF BUILDER

The Builder hereby represents and warrants to the Trustee, its successors and assigns, that this Agreement is duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Trustee, this Agreement is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder in accordance with its terms.

ARTICLE 21

ARTICLE AND PARAGRAPH HEADINGS; EFFECT AND MODIFICATION OF AGREEMENT

21.1 Article and Paragraph Headings for Convenience Only. All article and paragraph headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

21.2 Effect and Modification of Agreement. Except for the Participation Agreement, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor and the Trustee with respect to the Equipment and supercedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Trustee.

ARTICLE 22

NOTICE

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it by first class mail, postage prepaid, at its chief place of business at the following specified addresses:

(a) to the Trustee, at 79 South Main Street, Salt Lake City, Utah 84111, attention of Trust Division, Corporate Trust Department, with copies to the Owners at their respective address set forth in Appendix II of the Participation Agreement,

(b) to the Builder, at the address specified in Item 1 of Annex A hereto,

(c) to any assignee of the Vendor, or of the Trustee, at such address as may have been furnished in writing to the Trustee, or the Vendor, as the case may be, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 23

IMMUNITIES; SATISFACTION OF UNDERTAKINGS

23.1 No Recourse Against Certain Persons. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or any Owner, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

23.2 Satisfaction of Certain Covenants. The obligations of the Trustee under Paragraphs 7.1, 17.2, 17.7 and 17.8 hereof, and under Articles 6, 9, 10, 11, 13, 14 and 19 hereof and any and all obligations at any time arising thereunder shall be deemed satisfied in full in all respects (except as set forth in Paragraph 13.3 thereof), and be of no further force or effect insofar as they involve personal liability for money or performance or otherwise of the Trustee, other than out of "income and proceeds from the Equipment" (as defined in Paragraph 4.8 hereof), by the

Lessee's execution and delivery of the Lease. The Trustee shall not have any responsibility for the Lessee's failure to perform such obligations; but if the same shall not be performed, they shall constitute the basis for an event of default hereunder pursuant to Article 16 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor; provided, however, that the Vendor shall consent to any agreement in writing between the Lessee and the Trustee increasing or decreasing the rentals, casualty values or termination values payable pursuant to §§3 and 7 of the Lease so long as the amounts payable thereunder are not reduced below those necessary to satisfy the obligations of the Trustee hereunder, such consent to be given by the Vendor within 30 days of delivery of a copy of any such agreement to the Vendor.

23.3 No Personal Liability of Trustee. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Trustee hereunder are each and every one of them made and intended not as personal representations, warranties and agreements by said financial institution, including its successors and assigns, or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by said financial institution solely in the exercise of the powers expressly conferred upon said financial institution as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owners hereunder (except as provided in Paragraph 13.3 hereof) on account of any representation, warranty or agreement of the Trustee or the Owner hereunder (except as aforesaid or pursuant to Section 4.3(a)), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under any of them, making claim hereunder, may look to said Trust Estate for satisfaction of the same. Nothing contained in this Section 23.3 shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Trustee (provided that neither the Trustee in its fiduciary or individual capacity nor any Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the Trustee or the Owners except as aforesaid) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Equipment or the Lessee under the Lease.

The Trustee agrees not to enter into any supplement or amendment of the Trust Agreement except as provided in Section 8.01 thereof as in effect on the date of execution and delivery hereof.

ARTICLE 24

LAW GOVERNING

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303, such additional rights, if any, arising out of the filing, recording or deposit hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any unit of Equipment shall be located, and such rights, if any, arising out of the marking of Equipment.

ARTICLE 25

EXECUTION

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated, for convenience, as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

FIRST SECURITY BANK OF UTAH, N.A.
not in its individual capacity, but
solely as Trustee as aforesaid,

[Seal]

By _____
Authorized Officer

Attest:

Authorized Officer

FMC CORPORATION
(MARINE AND RAIL EQUIPMENT
DIVISION)

[Corporate Seal]

By Daniel C. Smith
Vice President

Attest:

A. R. Smith
Assistant Secretary

STATE OF Ill.)
COUNTY OF Cook : SS.:

On this 3rd day of October, 1979, before me personally appeared Daniel C. Smith to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FMC Corporation that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My commission expires: My Commission Expires Dec. 29, 1982

Judith A. Zeman
Notary Public

STATE OF)
COUNTY OF : SS.:

On this _____ day of _____, 1979, before me personally appeared _____ to me personally known, who being by me duly sworn, says that he is _____ of _____ that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My commission expires

Notary Public

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of CSA Indebtedness Payable in (i) One Interim Payment of Interest Only on December 1, 1979, (ii) 179 Monthly Installments of Principal and Interest commencing on January 1, 1980 and ending on November 1, 1994.

MONTH AND YEAR	ACCRUED INTEREST EXPENSE	CASH INTEREST EXPENSE	PRINCIPAL REPAYMENT	DEBT SERVICE	ENDING BALANCE
1/1980	9139.95	9166.67	2914.49	12081.16	997085.51
2/1980	9112.99	9139.95	2941.21	12081.16	994144.30
3/1980	9085.78	9112.99	2968.17	12081.16	991176.13
4/1980	9058.32	9085.78	2995.38	12081.16	988180.75
5/1980	9030.61	9058.32	3022.84	12081.16	985157.91
6/1980	9002.65	9030.61	3050.55	12081.16	982107.37
7/1980	8974.43	9002.65	3078.51	12081.16	979028.86
8/1980	8945.95	8974.43	3106.73	12081.16	975922.13
9/1980	8917.21	8945.95	3135.21	12081.16	972786.92
10/1980	8888.21	8917.21	3163.95	12081.16	969622.97
11/1980	8858.94	8888.21	3192.95	12081.16	966430.02
12/1980	8829.40	8858.94	3222.22	12081.16	963207.81
	<u>107844.46</u>	<u>108181.73</u>	<u>36792.19</u>	<u>144973.92</u>	
1/1981	8799.60	8829.40	3251.76	12081.16	959956.05
2/1981	8769.52	8799.60	3281.56	12081.16	956674.49
3/1981	8739.16	8769.52	3311.64	12081.16	953362.84
4/1981	8708.52	8739.16	3342.00	12081.16	950020.84
5/1981	8677.61	8708.52	3372.64	12081.16	946648.21
6/1981	8646.41	8677.61	3403.55	12081.16	943244.66
7/1981	8614.92	8646.41	3434.75	12081.16	939809.91
8/1981	8583.15	8614.92	3466.24	12081.16	936343.67
9/1981	8551.09	8583.15	3498.01	12081.16	932845.66
10/1981	8518.73	8551.09	3530.07	12081.16	929315.59
11/1981	8486.07	8518.73	3562.43	12081.16	925753.15
12/1981	8453.12	8486.07	3595.09	12081.16	922158.06
	<u>103547.89</u>	<u>103924.18</u>	<u>41049.74</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1982	8419.86	8453.12	3628.04	12081.16	918530.02
2/1982	8386.30	8419.86	3661.30	12081.16	914868.72
3/1982	8352.43	8386.30	3694.86	12081.16	911173.85
4/1982	8318.25	8352.43	3728.73	12081.16	907445.12
5/1982	8283.75	8318.25	3762.91	12081.16	903682.21
6/1982	8248.94	8283.75	3797.41	12081.16	899884.80
7/1982	8213.82	8248.94	3832.22	12081.16	896052.58
8/1982	8178.36	8213.82	3867.34	12081.16	892185.24
9/1982	8142.59	8178.36	3902.80	12081.16	888282.44
10/1982	8106.49	8142.59	3938.57	12081.16	884343.87
11/1982	8070.05	8106.49	3974.67	12081.16	880369.20
12/1982	8033.28	8070.05	4011.11	12081.16	876358.09
	<u>98754.11</u>	<u>99173.95</u>	<u>45799.97</u>	<u>144973.92</u>	
1/1983	7996.18	8033.28	4047.88	12081.16	872310.21
2/1983	7958.73	7996.18	4084.98	12081.16	868225.23
3/1983	7920.94	7958.73	4122.43	12081.16	864102.80
4/1983	7882.81	7920.94	4160.22	12081.16	859942.58
5/1983	7844.32	7882.81	4198.35	12081.16	855744.23
6/1983	7805.48	7844.32	4236.84	12081.16	851507.39
7/1983	7766.29	7805.48	4275.68	12081.16	847231.72
8/1983	7726.74	7766.29	4314.87	12081.16	842916.85
9/1983	7686.82	7726.74	4354.42	12081.16	838562.43
10/1983	7646.54	7686.82	4394.34	12081.16	834168.09
11/1983	7605.89	7646.54	4434.62	12081.16	829733.47
12/1983	7564.87	7605.89	4475.27	12081.16	825258.20
	<u>93405.61</u>	<u>93874.03</u>	<u>51099.89</u>	<u>144973.92</u>	
1/1984	7523.47	7564.87	4516.29	12081.16	820741.91
2/1984	7481.69	7523.47	4557.69	12081.16	816184.21
3/1984	7439.53	7481.69	4599.47	12081.16	811584.74
4/1984	7396.98	7439.53	4641.63	12081.16	806943.11
5/1984	7354.04	7396.98	4684.18	12081.16	802258.93
6/1984	7310.71	7354.04	4727.12	12081.16	797531.81
7/1984	7266.98	7310.71	4770.45	12081.16	792761.36
8/1984	7222.85	7266.98	4814.18	12081.16	787947.17
9/1984	7178.31	7222.85	4858.31	12081.16	783088.86
10/1984	7133.37	7178.31	4902.85	12081.16	778186.02
11/1984	7088.02	7133.37	4947.79	12081.16	773238.23
12/1984	7042.25	7088.02	4993.14	12081.16	768245.09
	<u>87438.19</u>	<u>87960.81</u>	<u>57013.11</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1985	6996.06	7042.25	5038.91	12081.16	763206.17
2/1985	6949.44	6996.06	5085.10	12081.16	758121.07
3/1985	6902.40	6949.44	5131.72	12081.16	752989.35
4/1985	6854.93	6902.40	5178.76	12081.16	747810.60
5/1985	6807.02	6854.93	5226.23	12081.16	742584.37
6/1985	6758.68	6807.02	5274.14	12081.16	737310.23
7/1985	6709.89	6758.68	5322.48	12081.16	731987.75
8/1985	6660.65	6709.89	5371.27	12081.16	726616.47
9/1985	6610.96	6660.65	5420.51	12081.16	721195.97
10/1985	6560.82	6610.96	5470.20	12081.16	715725.77
11/1985	6510.22	6560.82	5520.34	12081.16	710205.43
12/1985	6459.15	6510.22	5570.94	12081.16	704634.48
	<u>80780.22</u>	<u>81363.32</u>	<u>63610.60</u>	<u>144973.92</u>	

1/1986	6407.61	6459.15	5622.01	12081.16	699012.47
2/1986	6355.61	6407.61	5673.55	12081.16	693338.93
3/1986	6303.12	6355.61	5725.55	12081.16	687613.37
4/1986	6250.16	6303.12	5778.04	12081.16	681835.34
5/1986	6196.71	6250.16	5831.00	12081.16	676004.33
6/1986	6142.77	6196.71	5884.45	12081.16	670119.88
7/1986	6088.33	6142.77	5938.39	12081.16	664181.49
8/1986	6033.40	6088.33	5992.83	12081.16	658188.66
9/1986	5977.96	6033.40	6047.76	12081.16	652140.89
10/1986	5922.01	5977.96	6103.20	12081.16	646037.69
11/1986	5865.55	5922.01	6159.15	12081.16	639878.54
12/1986	5808.58	5865.55	6215.61	12081.16	633662.94
	<u>73351.80</u>	<u>74002.37</u>	<u>70971.55</u>	<u>144973.92</u>	

1/1987	5751.08	5808.58	6272.58	12081.16	627390.35
2/1987	5693.05	5751.08	6330.08	12081.16	621060.27
3/1987	5634.49	5693.05	6388.11	12081.16	614672.16
4/1987	5575.40	5634.49	6446.67	12081.16	608225.50
5/1987	5515.76	5575.40	6505.76	12081.16	601719.74
6/1987	5455.58	5515.76	6565.40	12081.16	595154.34
7/1987	5394.85	5455.58	6625.58	12081.16	588528.77
8/1987	5333.56	5394.85	6686.31	12081.16	581842.45
9/1987	5271.70	5333.56	6747.60	12081.16	575094.85
10/1987	5209.28	5271.70	6809.46	12081.16	568285.39
11/1987	5146.29	5209.28	6871.88	12081.16	561413.51
12/1987	5082.72	5146.29	6934.87	12081.16	554478.64
	<u>65063.77</u>	<u>65789.63</u>	<u>79184.29</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1988	5018.57	5082.72	6998.44	12081.16	547480.21
2/1988	4953.83	5018.57	7062.59	12081.16	540417.61
3/1988	4888.49	4953.83	7127.33	12081.16	533290.28
4/1988	4822.56	4888.49	7192.67	12081.16	526097.62
5/1988	4756.02	4822.56	7258.60	12081.16	518839.02
6/1988	4688.88	4756.02	7325.14	12081.16	511513.88
7/1988	4621.11	4688.88	7392.28	12081.16	504121.60
8/1988	4552.73	4621.11	7460.05	12081.16	496661.55
9/1988	4483.72	4552.73	7528.43	12081.16	489133.12
10/1988	4414.08	4483.72	7597.44	12081.16	481535.69
11/1988	4343.80	4414.08	7667.08	12081.16	473868.60
12/1988	4272.87	4343.80	7737.36	12081.16	466131.24
	<u>55816.66</u>	<u>56626.51</u>	<u>88347.41</u>	<u>144973.92</u>	
1/1989	4201.29	4272.87	7808.29	12081.16	458322.95
2/1989	4129.06	4201.29	7879.87	12081.16	450443.08
3/1989	4056.17	4129.06	7952.10	12081.16	442490.98
4/1989	3982.60	4056.17	8024.99	12081.16	434465.99
5/1989	3908.37	3982.60	8098.56	12081.16	426367.43
6/1989	3833.45	3908.37	8172.79	12081.16	418194.64
7/1989	3757.85	3833.45	8247.71	12081.16	409946.93
8/1989	3681.55	3757.85	8323.31	12081.16	401623.62
9/1989	3604.55	3681.55	8399.61	12081.16	393224.01
10/1989	3526.85	3604.55	8476.61	12081.16	384747.40
11/1989	3448.44	3526.85	8554.31	12081.16	376193.10
12/1989	3369.30	3448.44	8632.72	12081.16	367560.37
	<u>45499.49</u>	<u>46403.05</u>	<u>98570.87</u>	<u>144973.92</u>	
1/1990	3289.44	3369.30	8711.86	12081.16	358848.52
2/1990	3208.85	3289.44	8791.72	12081.16	350056.80
3/1990	3127.52	3208.85	8872.31	12081.16	341184.49
4/1990	3045.45	3127.52	8953.64	12081.16	332230.86
5/1990	2962.62	3045.45	9035.71	12081.16	323195.15
6/1990	2879.04	2962.62	9118.54	12081.16	314076.61
7/1990	2794.68	2879.04	9202.12	12081.16	304874.49
8/1990	2709.56	2794.68	9286.48	12081.16	295588.01
9/1990	2623.65	2709.56	9371.60	12081.16	286216.41
10/1990	2536.96	2623.65	9457.51	12081.16	276758.90
11/1990	2449.47	2536.96	9544.20	12081.16	267214.69
12/1990	2361.18	2449.47	9631.69	12081.16	257583.00
	<u>33988.42</u>	<u>34996.55</u>	<u>109977.37</u>	<u>144973.92</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1991	2272.08	2361.18	9719.98	12081.16	247863.02
2/1991	2182.16	2272.08	9809.08	12081.16	238053.94
3/1991	2091.42	2182.16	9899.00	12081.16	228154.94
4/1991	1999.85	2091.42	9989.74	12081.16	218165.20
5/1991	1907.44	1999.85	10081.31	12081.16	208083.88
6/1991	1814.18	1907.44	10173.72	12081.16	197910.16
7/1991	1720.06	1814.18	10266.98	12081.16	187643.18
8/1991	1625.09	1720.06	10361.10	12081.16	177282.08
9/1991	1529.24	1625.09	10456.07	12081.16	166826.00
10/1991	1432.51	1529.24	10551.92	12081.16	156274.08
11/1991	1334.90	1432.51	10648.65	12081.16	145625.44
12/1991	1236.39	1334.90	10746.26	12081.16	134879.18
	<u>21145.31</u>	<u>22270.10</u>	<u>122703.82</u>	<u>144973.92</u>	
1/1992	1136.98	1236.39	10844.77	12081.16	124034.41
2/1992	1036.66	1136.98	10944.18	12081.16	113090.23
3/1992	935.42	1036.66	11044.50	12081.16	102045.73
4/1992	833.25	935.42	11145.74	12081.16	90899.99
5/1992	730.14	833.25	11247.91	12081.16	79652.08
6/1992	708.89	730.14	2318.98	3049.12	77333.10
7/1992	687.43	708.89	2340.23	3049.12	74992.87
8/1992	665.79	687.43	2361.69	3049.12	72631.19
9/1992	643.94	665.79	2383.33	3049.12	70247.85
10/1992	621.89	643.94	2405.18	3049.12	67842.67
11/1992	599.64	621.89	2427.23	3049.12	65415.44
12/1992	577.19	599.64	2449.48	3049.12	62965.96
	<u>9177.22</u>	<u>9836.43</u>	<u>71913.21</u>	<u>81749.64</u>	
1/1993	554.53	577.19	2471.93	3049.12	60494.03
2/1993	531.66	554.53	2494.59	3049.12	57999.44
3/1993	508.58	531.66	2517.46	3049.12	55481.98
4/1993	485.30	508.58	2540.54	3049.12	52941.45
5/1993	461.79	485.30	2563.82	3049.12	50377.62
6/1993	438.08	461.79	2587.33	3049.12	47790.30
7/1993	414.14	438.08	2611.04	3049.12	45179.25
8/1993	389.99	414.14	2634.98	3049.12	42544.28
9/1993	365.61	389.99	2659.13	3049.12	39885.15
10/1993	341.02	365.61	2683.51	3049.12	37201.64
11/1993	316.19	341.02	2708.10	3049.12	34493.54
12/1993	291.14	316.19	2732.93	3049.12	31760.61
	<u>5098.04</u>	<u>5384.08</u>	<u>31205.36</u>	<u>36589.44</u>	

<u>MONTH AND YEAR</u>	<u>ACCRUED INTEREST EXPENSE</u>	<u>CASH INTEREST EXPENSE</u>	<u>PRINCIPAL REPAYMENT</u>	<u>DEBT SERVICE</u>	<u>ENDING BALANCE</u>
1/1994	265.86	291.14	2757.98	3049.12	29002.63
2/1994	240.34	265.86	2783.26	3049.12	26219.36
3/1994	214.60	240.34	2808.78	3049.12	23410.59
4/1994	188.61	214.60	2834.52	3049.12	20576.06
5/1994	162.39	188.61	2860.51	3049.12	17715.56
6/1994	135.93	162.39	2886.73	3049.12	14828.83
7/1994	109.23	135.93	2913.19	3049.12	11915.64
8/1994	82.28	109.23	2939.89	3049.12	8975.75
9/1994	55.08	82.28	2966.84	3049.12	6008.91
10/1994	27.64	55.08	2994.04	3049.12	3014.87
11/1994	0.0	27.64	3014.87	3042.50	0.0
12/1994	0.0	0.0	0.0	0.0	0.0
	<u>1481.96</u>	<u>1773.10</u>	<u>31760.61</u>	<u>33533.70</u>	
TOTALS	891559.82	891559.82	1000000.00	1891559.82	

ANNEX A
to
CONDITIONAL SALE AGREEMENT

- Item 1: FMC Corporation (Marine and Rail Equipment Division), a Delaware corporation, having an address at 4700 Northwest Front Avenue, Box 3616, Portland, Oregon 97208, attention of Vice President.
- Item 2: The Equipment shall be settled for in no more than 1 Group.
- Item 3: The Builder warrants that the Equipment will be built in accordance with the requirements, specifications and standards set forth in Article 2 of the CSA to which this Annex A is attached (the "Agreement") and warrants the Equipment will be free from defects in material (except as to specialties incorporated therein which were specified or supplied by the Lessee and not manufactured by the Builder) and workmanship under normal use and service, the Builder's obligation under this Item 3 being limited to making good at its factory any part or parts of any unit of the Equipment which shall be returned to the Builder with transportation charges prepaid, within one year after the delivery of such unit to the Lessee, and which the Builder's examination shall disclose to its satisfaction to have been thus defective. The foregoing warranty of the Builder is expressly in lieu of all other warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, except for its obligations or liabilities under Articles 2, 3, 4 and 14 of the Agreement, and the Builder neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment, except as aforesaid. In no event shall the Builder be liable for special or consequential damages.
- The Builder further agrees with the Trustee and the Lessee that neither the inspection as provided in Article 3 of this Agreement nor any examination nor the acceptance of any units of the Equipment as provided in said Article 3 shall be deemed a waiver or a modification by the Trustee and the Lessee of any of their rights under this Item 3.
- Item 4: The Builder agrees to indemnify, protect and hold harmless the Trustee from and against any and all

cluding royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee, its assigns or the Lessee because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right, except any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Trustee, its assigns, or the Lessee because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination specified by the Lessee and not developed or purported to be developed by the Builder or any article or material specified by the Lessee and not manufactured by the Builder. The Builder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, assign, set over and deliver to the Lessee every claim, right and cause of action which the Builder has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by the Builder for use in or about the construction or operation of any of the Equipment, on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, the satisfaction and discharge of this Agreement or the termination of this Agreement in any manner.

Item 5: The Maximum Purchase Price referred to in Paragraph 4.1 of the CSA to which this Annex A is attached is \$4,250,000.

EXHIBIT A

Type	AAR Mechanical Designation	Builder's Specifi- cations	Builder's Plant	Quantity	Lessee's Identification		Estimated Unit Base Price	Estimated Total Base Price	Estimated Time and Place of Delivery
					Numbers (Both Inclusive)				
50' 6" 70 ton single sheath Box Cars	XP	Substan- tially SK 971	Portland, Oregon	100	SLC 1000- 1099		\$41,357.72	\$4,135,772	October 5 to October 15, 1979 Portland, Oregon